Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Audit Committee

Wednesday 28 January 2026

6.00 pm

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

Democratic Services:	**Jayne Clarke**	**01952 383205**
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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**

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AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Wednesday 19 November 2025 at 6.00 pm in Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

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

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 (Head of Audit, Governance & Procurement) and E Rushton (Head of Finance)

Apologies: Councillors G Luter and L Parker

AU18 Declarations of Interest

None.

AU19 Minutes of the Previous Meeting

RESOLVED – that the minutes of the previous meeting held on 16 July 2025 be confirmed and signed by the Chair.

AU20 Annual Customer Feedback Reports for 2024-25

The Service Delivery Manager: Customer Relationships and Welfare Services presented the Annual Customer Feedback Reports for 2024-25 which set out details of customer feedback received between 1 April 2024 and 31 March 2025. The report set out details regarding compliments and complaints that had been received during the reporting period and explained that the Council had adopted the Local Government and Social Care Ombudsman's Complaint Handling Code prior to it being a requirement.

Following a rigorous assessment, the Council had recently become the first Local Authority to receive a ServiceMark accreditation from the Institute of Customer Services (ICS) which recognised the Council's commitment to upholding high standards. The Institute's work had been benchmarked against both public and private sectors.

Customer satisfaction rates had improved from 72.1 in 2022 to 74 making the Council's results comparable with leading organisations such as Amazon and John Lewis. The Net Promoter Score increased from 18 to 19.4, indicating a higher likelihood of customers recommending services, and the Customer Effort Score was 4.3, better than other councils at 5.8 with the public sector average score of 4.5 and the commitment to customer service excellence was evident in its strategic day-to-day operations.

Compliments had shown a sustained increase of 128% over six years with a 17% increase during the previous 12 months. There had been 790 statutory complaints received in 2024/25 up from the 735 complaints received during the previous year, comprising a small percentage of the thousands of daily interactions that took place.

The Customer Insight Programme engaged 235 volunteers for mystery shopping, completing 158 assignments with 86% satisfaction rate and there had been a 9% increase in the number of volunteers.

Contact centre performance remained excellent, with 98% customer satisfaction on telephone calls. Compliments and complaints were managed alongside Leader, Cabinet and MP enquiries. There were 796 Cabinet and Leader enquiries with 90% being responded to within deadline. A total of 302 ward member enquiries were received, a 9% increase, with 91% being responded to within timescales and 253 MP enquiries had been received with 88% responded to within timescales.

Corporate complaints rose to 710 from 659 the previous year, with 281 being upheld, a 2% reduction from the previous year. Common issues included poor communication, conduct, lack of action, incomplete work, and delays. Despite the increase, average response times improved to eight working days compared to ten previously. A total of 13% were escalated to Stage 2 (91 cases), a 30% increase, but upheld cases reduced from 50% to 26%. Average completion time was 31 days, within the 20–40 days as set out in the Code. Despite this, two complex cases exceeded the timescales. No major trends were identified across teams.

Across the 219 managed housing properties, five complaints had been received and responded to within the Housing Ombudsman Code.

Adult Social Care recorded 57 complaints, up from 39 the previous year, with 44% upheld which was down from the previous year. Average response times had reduced to 24 days from 29. Children's Services recorded 23 complaints of which 43% were upheld, with an average response time of 14 days. Four complaints escalated to Stage 2; three were not upheld, and one escalated to Stage 3 and was upheld against historical standards. Learning actions had been implemented and details were set out in the report. Ofsted had rated Children's Services as Outstanding. The LGSCO annual review noted 30 new enquiries with 16 relating to statutory complaints. Of these enquiries, 21 were not investigated, nine investigated with three upheld, and six mirrored previous findings which had been fully implemented.

During the debate, Members welcomed the thorough report which demonstrated that the Council was very open to feedback with compliments and complaints showing that this was working. They were heartened to hear that each complaint was looked into and any learning taken away and implemented. In relation to complaints, how did the Council ensure that the process remained accessible to all service users ie capacity, language and digital exclusion and was any learning taken from the 112 compliments that had been received. Other questions were raised relating to the trialling of AI and developing learning from customer feedback and the use of Ask Tom.

The Service Delivery Manager: Customer Relationships and Welfare Services explained that complaints could be taken in a number of ways, including in cases where dissatisfaction was expressed verbally, this would be recorded and logged so that the service was accessible for the complainant. Internally the Council continued to explore AI via the AI Governance Board who looked at the opportunities and risks. The organisation already had some AI solutions in place, including Copilot, and Magic Notes was currently being trialled in key services for the purpose of producing notes of meetings Throughout all of the activity discussed in the report, best practice was shared including examples of exceptional service as well as areas where the experience may have fallen short.

The Director: Policy & Governance explained that Ask Tom was the primary customer-facing contact mechanism but that other contact routes remained in place and the Council had been clear that it would not remove other options for contacting the Council. It was also confirmed that the Council continued to explore new opportunities for the use of AI in a proportionate and ethical way to ensure that any risks were appropriately managed. More recently, the introduction of Magic Notes had led to better records of interactions and interviews in such areas as social care and were very useful in recording, transcribing and taking minutes of meetings

Upon being put to the vote it was, unanimously:

RESOLVED – that:

a) **Telford & Wrekin Council had been awarded ServiceMark accreditation by The Institute of Customer Services. The first Council to achieve a ServiceMark, this recognised excellence in customer service standards across the public and private sector and that this be noted;**

b) **the Customer Feedback Reports for 2024-25 in respect of Adult Statutory Complaints, Children's Statutory Complaints and Corporate Customer Feedback, and the Local Government and Social Care Ombudsman Review Letter 2025 be reviewed; and**

c) **the improvement in complaint handing performance and the increase in positive feedback be noted.**

AU21 Annual Auditors Report 2024/25 - interim version

Mr R Walton, from KPMG, presented the External Auditors' Report which set out the legal requirements for reporting their findings by the end of November in any given year with the deadline for the audit being completed and accounts signed off by the end of February 2026. Work was still ongoing and, once completed, details would be published on the Council's website.

The report set out the executive summary of the key outcomes together with external audit opinion which was in line with internal audit standards. In relation to the commentary, no material inconsistencies had been identified. In respect of value for money, no significant weakness had been identified in the Council's arrangements during the work that had been completed thus far. The executive summary also set out actions available as part of their wider powers and it was confirmed that no actions had been taken during the current year.

In relation to Value for Money, the work had now been completed and full details were set out in the report. A risk assessment had also been completed in order to look at the Council's financial position which considered three key areas – financial stability, governance and economy, efficiency and effectiveness and that no weaknesses in these areas had been identified.

During the debate, some Members welcomed the report commenting it was important to maintain the standards of previous audits. Good risk mitigation and financial sustainability were not taken for granted and this showed in the work that was undertaken by the Council in respect of its budget management.

The report was for noting.

AU22 <u>Internal Audit Activity Report</u>

The Principal Auditor presented the Internal Audit Activity Report which set out the work of the Internal Audit team from July 2025 to October 2025.

During the reporting period there had been a total of six internal audit reports issued with the report setting out more detail regarding these. Section 3.8 of the report set out the status of audits previously reported with six of the reports now holding a green (good) grading.

An update was provided in relation to work required to complete the Annual Audit Plan with 20 of the 48 either completed or in progress. Work continued on commercial contracts with academies and local councils across Shropshire as well as Telford & Wrekin and work would continue to look for opportunities to expand the commercial offering.

Quality Assurance work was undertaken with the Audit, Governance & Procurement Lead Manager undertaking independent monthly checks on audits in order to comply with standards.

During the debate, some Members welcomed the work that had been undertaken and that there had been improvement in respect of reports issued previously. It was asked if there were any trends in relation to workload on audits.

The Principal Auditor explained that workload was stable and with more schools becoming academies this may lead to more business when three yearly contracts were up for renewal.

The report was for noting.

AU23 **Strategic Risk Register**

The Audit, Governance & Procurement Lead Manager presented an update on the Strategic Risk Register.

As set out in the Terms of Reference, the Audit Committee had the responsibility for overseeing the Council’s audit function, governance, financial process and risk management which involved the production of the Corporate Risk Register. Whilst the Risk Register contained details of risks that would affect all levels of the Council, more detailed risks that may affect the delivery of Council priorities were contained within the Strategic Risk Register.

The Strategic Risk Register was last presented to Committee in July and there had been no significant changes, but controls and mitigation actions had been updated. It was regularly kept under review by the Senior Management Team and mitigation measures put in place where there were new or emerging risks as part of the review. There were a considerable number of mitigation actions already in place.

It was considered that the local authority was in a good position in terms of managing corporate strategic risks and it was asked that Members noted the report.

During the debate, some Members commented that the Council had a good reputation and were very well thought of nationally whilst others recognised that the Council had strong structures in place in order to run well and correctly and took governance seriously. There was no magic answer to good governance but sound decision-making and good scrutiny were a good basis. It was asked what formula was used to work out strategic risk. In relation to ‘grow your own’ schemes to address recruitment challenges, Members were interested to learn what roles were hard to recruit to and where had this approach been used.

The Audit, Governance & Procurement Lead Manager echoed the comments particularly in relation to financial performance and service performance. Whilst there was no formal methodology to strategic level risk, best practice and policies as set out by ALARM, the national body that oversaw public sector risk, set out descriptors to determine risk. A key deciding factor in relation to whether a risk was a strategic or operational risk was the likely impact it would have on service delivery or residents; for example, where a risk would prevent work in one part of the Council versus a risk which would prevent the Council from operating at all.

The Director: Policy & Governance explained that, in relation to recruitment challenges, legal services was one area that had traditionally been difficult to recruit to. One action taken was to offer an opportunity for a career-graded post so that a non-qualified individual would be able to qualify into a solicitor role with a clear pathway setting out milestones to be achieved. Similar approaches had been adopted in the planning and highways teams. The Council also sought to be identified as an employer of choice to help overcome recruitment challenges and part of the work to tackle such matters saw activity to promote working in local government as a career choice.

The Director: Finance, People & IDT explained that the Highways Team had recruited an engineering apprentice which had received over 100 applications with the intention of bringing someone in at a lower level with a view to getting experience across all areas.

The Chair thanked the officers for the positive report and the report was noted.

The meeting ended at 6.46 pm

Chairman: ....

Date: Wednesday 28 January 2026

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Audit Committee

Wednesday 28 January 2026

Telford & Wrekin Becoming Carbon Neutral and Climate Change Adaptation - update report

Cabinet Member:	Cllr Carolyn Healy - Cabinet Member: Neighbourhoods, Planning & Sustainability
Lead Director:	Katherine Kynaston - Director: Housing, Commercial and Customer Services
Service Area:	Housing, Commercial & Customer Services
Report Author:	Ian Wykes - Team Leader - Climate Change & Sustainability
Officer Contact Details:	**Tel:** 01962 384960 **Email:** Ian.Wykes@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Cabinet – 6 January 2026 Audit Committee – 28 January 2026

1.0 Recommendations for decision/noting:

1.1 To note and review the update on Telford and Wrekin Council becoming Carbon Neutral and the additional work the Council has undertaken to develop a corporate climate change risk register which identifies how the Council is seeking to adapt to manage unavoidable risks and impacts of the changing climate.

2.0 Purpose of Report

To allow Audit Committee the opportunity to:

2.1 Note and review the update on Telford and Wrekin Council becoming Carbon Neutral and the additional work the Council has done to develop a corporate climate change risk register as set out in the report to Cabinet on 6th January 2026 (Appendix A) and accompanying Carbon Neutral Action Plan (Appendix B) and Strategic Climate Change Adaptation Risk Register (Appendix C).

2.2 Note that in recognition of the strong synergies between climate change mitigation and adaptation both areas are reported together within a single, integrated report.

3.0 Background

3.1 Tackling climate change is one of five priorities set out in the current Council Plan. In July 2019, the Council declared a climate change emergency and made a commitment to reduce its carbon emissions to net zero by 2030. Through its support of a borough partnership the council is also playing a full part in helping the wider borough achieve the same target.

4.0 Summary of main proposals

4.1 In recognition of the strong synergies between climate change mitigation and adaptation both areas are reported together within a single, integrated report.

4.2 In summary the Cabinet report can be broken down into three sections

- It provides an update of the work undertaken by the Council since the last report in September 2024.

- It sets out the progress the Council has made against the net zero target and the way we measure emissions as well as our progress on climate change adaptation.

- It includes an updated climate change action plan as set out in Appendix B and climate change risk register as set out in Appendix C

4.3 In 2024/25 the Council achieved an overall reduction of 63% in CO_2e emissions from a baseline of 2018/19.

4.4 To support this target the Council undertook a wide range of activities across its functions. These activities provided both direct benefits to borough residents and provided a wide range of other indirect co-benefits through the investment of income and efficiency savings into frontline services.

4.5 Direct benefits have included.

- Further improvements to the Council's operational estate including the installation of energy efficiency measures.
- Providing direct grants to residents who are in fuel poverty and support to those residents who can self-fund to install renewable technologies to their own properties.
- Through NuPlace, building more energy efficient homes.

- Continuing to improve the walking and cycling routes in the Borough
- Further delivery of Electric Vehicle charging points across the Borough
- Continuing to generate renewable electricity from the Council's own solar farm at Wheat Leasows.
- Improving green spaces and nature reserves.
- Continuing to reduce waste and support reuse.

4.6 These actions are detailed in the Cabinet report but include how:.

- The refurbishment of the Wellington Leisure Centre has delivered improved facilities for users and achieved an annual reduction of 70 tonnes of CO_2e emissions.
- The Council's affordable warmth programmes have retrofitted 10 off-gas properties with 22 energy-saving measures, while 50 homes in Sutton Hill benefited from 77 upgrades, including insulation, double glazing, and solar panels. These initiatives have substantially increased energy efficiency, reducing residents' heating bills by up to £640 per year and cutting emissions by up to 600 kg CO_2e annually.
- Active travel initiatives in Telford & Wrekin reduce vehicle emissions and promote healthier, more active lifestyles. The New School Journey project encouraged walking, cycling, and scooting among pupils, with 11 schools participating. In 2023–24, schools like Ladygrove Primary and Meadows Primary saw significant drops in car use and increases in active travel, demonstrating the project's effectiveness in shifting travel habits and supporting both environmental and health goals.

4.7 The Council also reviewed and refreshed its climate change adaptation risk register and integrated it into the Business Continuity Plan process.

5 Alternative Options

5.1 The alternative option would be to do nothing and not deliver on the Council's climate change commitments. However, this could lead to serious reputational risks for the Council as a community leader.

5.2 Not addressing issues such as energy efficiency of buildings or development of renewable energy generation opportunities would also lead to significant cost implications through increase in fuel bills and loss of income. Doing nothing would also lead to a negative impact on the health and social / economic wellbeing of Telford and Wrekin businesses, communities, and residents.

6 Key Risks

6.1 The Climate Change Committee's *Independent Assessment of UK Climate Risk for the UK* (CCRA3), published in June 2021[1] sets out the priority climate change

[1] https://www.ukclimaterisk.org/wp-content/uploads/2021/06/CCRA-Evidence-Report-England-Summary-Final.pdf

risks for the UK. In summary, risks in the report include:

- The impacts of climate change on the natural environment.
- An increase in the range, quantities, and consequences of pests, pathogens, and invasive species.
- more frequent and severity of flooding, and coastal erosion, causing damage to infrastructure services.
- A reduction in public water supplies due to increasing periods of water scarcity.
- The impact of extreme temperatures, high winds, and lightning on the transport network.
- The impact of increasing high temperatures on people's health and wellbeing.
- Disruption to the delivery of health and social care services due to a greater frequency of extreme weather.
- Damage to cultural heritage assets as a result of temperature, precipitation, groundwater and landscape changes.
- Impacts internationally that may affect the UK, such as risks to food availability, safety and security, risks to international law, trade routes and public health. Therefore, there are significant risks as outlined should the Council fail to mitigate climate change and ensure that residents, businesses, and the natural environment are able to adapt to the future climate conditions.

7.0 Council Priorities

7.1 The Councils' work on climate change and sustainability is a direct response to the Council's priority "Our natural environment is protected, and the Council has a leading role in addressing the climate emergency". However, as a cross-cutting agenda it also has a significant contribution towards all other Council priorities including:

- Every child, young person, and adult lives well in their community.
- Everyone benefits from a thriving economy.
- All neighbourhoods are a great place to live.
- A community-focussed, innovative Council providing efficient, effective, and quality services.

8.0 Financial Implications

8.1 The initiatives outlined in the report are funded from a combination of Council funding, and external grant funding. Finance will provide ongoing support in relation to any bids for external funding as required. Scheme expenditure is monitored on a regular basis.

9.0 Legal and HR Implications

9.1 The Climate Change Act 2008 (as amended) establishes a legally binding target to reduce the UK's greenhouse gas emissions by 100% by 2050 when compared with the 1990 baseline. At a local level, Section 19(1A) of the Planning and Compulsory Purchase Act 2004 requires local planning authorities to include in their local plans, policies designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change. In the management of its activities, provision of its services and performance of its functions, local Councils are in a position to play a vital role in meeting the challenges posed by climate change. The Council has wide scope to decide how best to address these challenges.

9.2 The Council has the legal power to undertake the activities set out in the report. Implementation of the proposals in this report may give rise to specific legal issues upon which legal advice will be provided as and when necessary.

9.3 There are no specific human resource implications arising from this report.

10.0 Ward Implications

10.1 This report has a borough wide impact.

11.0 Health, Social and Economic Implications

11.1 Climate change is expected to continue having a significant impact on the health, social, and economic wellbeing of residents in Telford and Wrekin. For example, the summer of 2025 was the warmest on record, with prolonged heatwaves posing serious health risks—particularly to vulnerable groups such as older adults, children, and those with existing health conditions.

11.2 Many of the actions outlined in the Council's Climate Change Plan offer substantial health co-benefits, including improved air quality, increased access to green spaces, and better housing energy efficiency. These measures not only support climate resilience but also contribute to healthier, more equitable communities. The impact of climate change is also considered in the Council's Health and Well Being Strategy 2023-2027.

12.0 Equality and Diversity Implications

12.1 The Council's Climate Change Action Plan takes account of the legal requirement to pay due regard to the aims of the Public Sector Equality Duty. Key to this is consideration of people's specific needs based on their protected characteristics.

People who share protected characteristics of age, race, ethnicity, and disability are often disproportionately affected by climate change and its consequences. This is true locally and internationally. Extreme weather events, for example heat waves most detrimentally affect older residents and those with pre-existing respiratory and cardiovascular conditions.

The success of our climate change activity relies on active participation by the whole community. Steps are taken to make sure that events are inclusive, and the differing needs of individuals are considered so that they can access activities and contribute effectively.

13.0 Climate Change and Environmental Implications

13.1 This report sets out the key areas as to how Telford and Wrekin Council is helping address climate change and environmental implications.

14.0 Appendices

A Telford & Wrekin Becoming Carbon Neutral and Climate Change Adaptation - update report - Cabinet Report 6th January 2026

B Corporate Climate Change Action Plan

C Telford and Wrekin Strategic Climate Change Adaptation Risk Register

15.0 Report Sign Off

Signed off by	**Date sent**	**Date signed off**	**Initials**
Legal	13/01/2026	16/01/2026	EH
Finance	13/01/2026	13/01/2026	DR
Director	05/01/2026	19/01/2026	KK

Borough of Telford and Wrekin

Cabinet

Tuesday 6 January 2026

Telford & Wrekin Becoming Carbon Neutral and Climate Change Adaptation - update report

Cabinet Member:	Cllr Carolyn Healy - Cabinet Member: Neighbourhoods, Planning & Sustainability
Lead Director:	Katherine Kynaston - Director: Housing, Commercial & Customer Services
Service Area:	Communities, Customer & Commercial Services
Report Author:	Ian Wykes - Team Leader - Climate Change & Sustainability
Officer Contact Details:	**Tel:** 01952 384960 **Email:** Ian.Wykes@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	SMT – 2 December 2025 Business Briefing – 11 December 2025 Cabinet – 6 January 2026

1.0 Recommendations for decision/noting:

It is recommended that Cabinet**:**

1.1 Notes the positive progress the Council has made in its journey to become carbon neutral by 2030 and that at by the end of March 2025 it has now reduced its carbon emissions by **63% from a 2018/19 baseline.**

1.2 Notes the importance of climate adaptation and the additional work the Council has done to develop a corporate climate change risk register as set out in Appendix B

1.3 Notes that this report is in relation to the Council's response to the Climate Emergency Declaration and will be referred to Full Council for information as part of the 'Matters Determined by the Cabinet' report

2.0 Purpose of Report

2.1 To update Cabinet on progress being made to meet the Council's target of becoming carbon neutral by 2030 and meeting the challenges of current and future impacts of a changing climate.

3.0 Background

3.1 In 2019 Telford and Wrekin Council declared a Climate Emergency and set out an ambitious target to ensure its activities and operations are carbon neutral by 2030. This is known as **climate change mitigation.** The Council is delivering this through its 'Becoming Carbon Neutral Plan', reporting annually on progress to Cabinet. The Council also made a commitment to work with partners with the aim of achieving the same target across the Borough.

3.2 As a local authority, Telford & Wrekin Council must also ensure that its services are able to react to the current and future predicted impacts that climate change is having This is referred to as **climate change adaptation.** In 2024 the Council published its first Corporate Climate Change Risk register to help address the impact of climate change on its own services. The Council is committed to reporting on its progress on climate change adaptation on an annual basis. The Council is also working with partners to help address the impacts of climate change across the whole borough.

3.3 In recognition of the strong synergies between climate change mitigation and adaptation, it is now proposed that both areas be reported together within a single, integrated report which is the aim of this current report.

3.4 Climate change continues to be one of the most significant issues that affects Telford and Wrekin, its residents, communities, and businesses and remains one of the Council's five key priorities.

3.5 We have made strong progress in reducing the Councill's emissions so far, but we recognise that it is getting harder and more challenging to do. It is still the right thing to do reinforced by the wider benefits we are seeing to our residents and communities including:

- The recent upgrades at Oakengates Leisure Centre have significantly enhanced the leisure offering while simultaneously reducing carbon emissions by 161 tonnes of CO_2 equivalent per year. In addition, energy costs have been cut by 45%, enabling savings to be reinvested into front line services.

- Initiatives such as the **Bike Hub** support residents to make the switch from the use of their cars for some trips reducing emissions but also provide opportunities for leisure and resultant health benefits.

- The investment we are making into housing whether through **NuPlace, Warm and Well Telford** and our various retrofit programmes will provide properties that are more affordable to heat thereby supporting residents to address rising energy costs, tackling fuel poverty and health impacts of living in cold and damp properties.

3.6 These co-benefits show that the investment we are making provides long-term gains in health, cost of living and resilience.

3.7 There are also actions the Council is seeking to address that are affected by factors outside of its control. For example, electrical grid connections remain a huge constraint on the expansion of renewable energy generation locally and nationally. The Council, working with partners, is continuing to lobby and work with Government and National Grid to overcome barriers to delivery.

Public Attitudes Towards Climate Change and Renewable Technologies

3.8 Public opinion on climate change and the adoption of renewable technologies has remained relatively consistent in recent years. A government survey conducted in Spring 2025[1] found that 77% of respondents remain concerned about climate change, indicating sustained public engagement with environmental issues. Furthermore, awareness of the national Net Zero Target remains high, with 88% of respondents familiar with the goal, suggesting that national messaging continues to resonate with the public.

3.9 Complementing this, data from the Office for National Statistics (2024)[2] revealed that 76% of individuals have made lifestyle changes aimed at reducing their environmental impact. This reflects a strong willingness among the public to continue to take personal action in support of climate objectives.

3.10 At the local level, the Council's most recent **Resident's Survey** provides further insight into community sentiment. When asked to rate their concern about the impacts of climate change on a scale from 1 to 10 (where 1 indicates no concern and 10 indicates extreme concern), 63% respondents gave it a score of 7 or over with 22% of respondents scoring 10.

4.0 Summary of main proposals

Climate Change Mitigation - Carbon Neutral Action Plan:

[1] DESNZ Public Attitudes Tracker: Headline Findings Spring 2025, UK
[2] Public and business attitudes to the environment and climate change, Great Britain - Office for National Statistics

4.1 The Council's Corporate Action Plan, 'Becoming Carbon Neutral,' is a live, working document which is reviewed and updated on an ongoing basis. It encompasses actions from all areas of the Council's operations and is formally refreshed annually. It reflects the Councils' priorities for climate change; to decarbonise the corporate estate, explore the feasibility of renewable energy generation and support communities in decarbonisation

4.2 The Action Plan is divided into the following themes:

- Adaptation
- Affordable Warmth
- Biodiversity & Carbon Sequestration
- Borough Resources/Waste
- Corporate Catering
- Corporate Estate
- Highways and Transport
- Investment in Business
- Planning Policy
- Plastic Free
- Communications and Engagement
- Performance and Monitoring

4.3 A high-level summary of the Carbon Neutral Action Plan can be found in Appendix A of this report.

Key climate change actions in 2024/25

4.4 Since the last report, the Council has progressed a wide range of decarbonisation projects as illustrated by the following case studies compiled by theme:

Corporate Estate

4.5 **Wellington Leisure Centre**: Following a bid **to** the Salix Public Sector Decarbonisation Scheme (PSDS) Phase 3c. In April 2024, the Council was awarded £1.1 million to deliver a package of energy efficiency improvements. These include upgrades to the building's thermal fabric and the installation of an air source heat pump, which is projected to reduce carbon emissions by approximately 70 tonnes of CO_2 equivalent per year. Works commenced in September 2024, with the facility officially reopening on 26 August 2025.

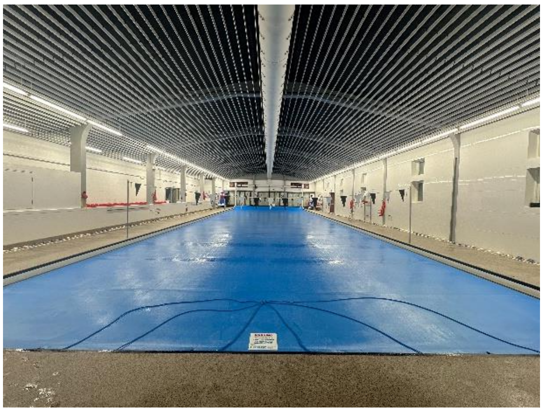
In addition to the decarbonisation measures, a series of enhancements have been undertaken to improve the swimming pool environment for users. These include:

- Installation of new lighting
- Refurbishment of the pool promenade
- Upgraded ventilation systems

- A comprehensive redecoration programme

The changing rooms have also been refurbished, featuring new showers, lockers, and cubicles to improve the overall user experience.

4.6 **Newport Swimming Pool & Fitness Centre:** A successful bid to the Swimming Pool Support Fund (SPSF) Phase II has secured £41,800 of grant funding to install pool covers and replace fluorescent lighting with LED lighting. Both measures will increase energy efficiency on site, resulting in estimated annual cost savings of £11,500 for the pool cover and £1,300 for LED lighting. Works were completed in October 2024.



4.7 **Telford Theatre** The redevelopment of Telford Theatre in Oakengates is designed with a ‘fabric first’ approach. The project design team have incorporated low power LED lighting, the reuse of existing solar panels and a thermal specification that goes beyond building regulation standards to increase the energy performance of the new Telford Theatre building. In addition, heating and ventilation systems will incorporate renewable technologies such as air source heat pumps, and current roof plans incorporate a significant array of photovoltaic panels. This will all result in a theatre with a significantly lower operational carbon requirement than the existing building which is now over 60 years old. Initial demolition works have now started, with the main construction work on the new building to start in 2026.

4.8 Telford & Wrekin Council has submitted plans for the new **Captain Matthew Webb Swimming and Fitness Centre in Dawley.** This project addresses an identified local need by enabling residents to swim within their own community, while reinforcing the Council’s commitment to sustainable development and enhancing community wellbeing. The proposed facility, located at Telford Langley School, will include a five-lane swimming pool and an expanded health and fitness suite. Designed with sustainability at its core, the centre will prioritise low energy consumption and reduced carbon emissions, supporting the Council’s ambition to achieve carbon neutrality. The Dawley location was selected following a detailed site review, addressing the area’s significant unmet demand for swimming provision.

The development will:

- Enable over 150,000 swims annually
- Expand the learn-to-swim programme by 150 places per week
- Increase community fitness access by 50 hours per week

Subject to planning approval, the centre is expected to open in early 2027, creating over 20 local jobs and contributing to the Council's wider goal of building a greener, healthier borough

Property Investment Portfolio

4.9 Work to improve the efficiency of the Council's Property Investment Portfolio (PIP) has continued. In previous years this has included LED lighting installed at Southwater One carpark and LED lighting and solar PV panels installed in the industrial units at Hortonwood 12, Newport Innovation Park PH2 & Orchard Park. Further opportunities to increase the amount of solar PV panels installed on PIP properties are currently being reviewed.

Affordable Warmth and Housing

4.10 The Council has previously delivered a wide range of projects to support people in fuel poverty including 10 off gas properties (22 measures) were retrofitted using funding from Phase 1 of the Home Upgrade Grant (HUG1). The Local Authority Delivery Scheme (LAD2) scheme was used to retrofit 50 homes in Sutton Hill, with 77 energy efficiency measures, including external wall insulation, loft insulation, cavity wall insulation, double glazing and solar panels. This programme of works improved the energy efficiency rating of properties as well as reducing residents' heating bills by up to £640 a year and saving up to 600 kilograms of CO_2e emissions each year.

4.11 Additional work this year has included:

- Through our **Warm and Well Telford** grant we are providing partial glazing, external doors and heating controls for eligible properties. This grant extends eligibility beyond that required by the government to reach more residents "in the gap". Residents may be eligible if gross combined household income is less than £50,000 per year, which means we can reach more people than by using the £36,000 gross combined household income threshold set by the government. So far 25 properties have been supported so far with another 11 in the pipeline.

- In a joint bid with Shropshire and Herefordshire, Telford & Wrekin Council were successful in securing Warm Homes Local Grant funding for all 3 authorities of £6,717,405. This funding will allow us to deliver **energy performance and low carbon heating upgrades to low-income homes** in the borough.

- The Council and partners have delivered the second phase of the **Home Upgrade Grant** aimed at low energy efficient off gas properties. The grant scheme delivery was completed in March 2025.

4.12 The Council continues to promote energy efficiency activities addressing fuel poverty for eligible residents through Telford Energy Advice (TEA). The TEA provides a free hotline for residents to call for information. advice and support. The latest Impact Report 2024 reported that since the inception of TEA:

- Around 4,300 households reached
- 350 home visits completed
- 1,400 energy advice calls made
- 360 frontline workers trained
- 1,100 energy-saving measures distributed
- 300 homes received funded insulation or heating
- 200 households supported with crisis funding (debt relief, energy top-ups, emergency heating, etc.)
- £9,300 in direct financial gains for residents
- £75,600 in total household savings from advice and support

4.13 Over the next two years in partnership with the Marches Energy Agency the Council is supporting the **Future Ready Homes initiative.** This is aimed at the self-funded market. The project will help **2,500 householders** navigate the complex world of retrofit and providing support throughout installation of works to ensure residents are getting the correct advice and quality from contractors. By working with local businesses, the project will also provide training opportunities to develop much needed local retrofit skills.

4.14 The **Retrofit Skills Home** project complements Future Ready Homes providing residents with an opportunity to view measures in a 'show home' with regular open days, webinars, video tours and case studies. Telford College construction students are collaborating with Marches Energy Agency and The Wrekin Housing Group on a real-life house renovation project in Arleston, Wellington. This initiative aims to transform a vacant property into an energy-efficient home, serving as a hands-on learning facility for students to acquire both traditional building skills and modern retrofit techniques. The project includes adding insulation, eliminating draughts, and installing green technologies like solar panels and heat pumps, which are essential for reducing carbon emissions and making homes more sustainable.

4.15 The project is supported by Telford and Wrekin Council and funded by the **Energy Saving Trust.** It will feature regular open days and online updates to engage the public and showcase the progress. The initiative addresses the boroughs need for skilled workers in home energy efficiency and aims to educate both staff and tenants on future-proofing homes.

4.16 **NuPlace**, the Council's wholly owned housing company, continues to focus on delivering sustainable, energy efficient properties for private rent. To date 132 properties have been completed across Telford incorporating solar panels and EV charging points, saving residents money and reducing their emissions.

4.17 In addition, 18 of these homes at Wildwalk, in Donnington, were built to Future Homes Standards incorporating timber frame construction, and air source heat pumps. The team are continuing to monitor energy use and customer satisfaction to understand how these dwellings perform now occupied. A "12 Month On" tenant case study is to be developed exploring how the occupier is finding living in a Future Home.

4.18 A further 161 low energy homes are under construction for Nuplace across a diverse range of sites including refurbishments and conversions and new build scheme.

4.19 117 of these homes are located in Station Quarter, within Telford Town Centre, with properties all set to achieve EPC (Energy Performance Certificate) "A" rating in terms of environmental impact and EPC "B" rating for energy efficiency. Work is progressing well on the 84-dwelling state-of-the art apartment block which will bring town centre living to Telford Town Centre alongside 33 town houses and maisonettes. In July 2025 a topping out ceremony was staged to mark the new apartments at Station Quarter reaching their highest point with completion due in March 2026.

4.20 Nuplace secured £4.725m grant funding from WMCA to deliver a mixed-tenure housing scheme in the town centre, offering high-quality homes in a sustainable location with amenities nearby. Sustainability drives the Station Quarter design, incorporating low-carbon technologies and infrastructure that promotes walking, cycling, rail, and bus travel. A Car Club will support short-term car rentals, reducing reliance on private vehicles and encouraging greener choices for residents and visitors.

4.21 Nuplace homes are fully electric with no gas, in line with emerging Future Homes legislation. Heating is provided through a mixture of electric panel heaters and storage heaters with heat loss minimised through a fabric first approach to build and the use of PVs to minimise energy costs for residents. Throughout the wider Station Quarter development, native planting coupled with an innovative approach to sustainable drainage, including the creation of rain gardens, will deliver biodiversity enhancements.

4.22 Through the **LED Bulb Distribution Scheme**, the Council has provided 16,184 energy saving LED bulbs distributing them via community organisations, Town and Parish Councils and housing trusts. The scheme is set to continue helping those residents at risk from the cost-of-living crisis to reduce their electricity bills, while also reducing greenhouse gas emissions.

Transport

4.23 As part of our home to school transport operations, the council secured an electric minibus to add to our fleet of 15 EV's across service areas. This minibus has been in operation since July 2025. Furthermore, in November 2025, the council through the Travel Telford bus network undertook a two-week trial of a electric bus as part of our continued commitment to delivering zero-emission public transport. The vehicle covered 1,800km during the two weeks saving 2.3t CO_2e and data from this trial will shape future investment into electric buses for the borough's wider public bus network.

4.24 The Council was awarded £683,370 from **On-street Residential Charge Point Scheme (ORCS)** for the installation of 70 dual fast EV charge points in Council car parks to support residential charge points. The Council has appointed an EV charge point operator who will deliver the ORCS funded charge points but will also fully fund additional EV charge points in Council car parks. Overall, this project could see an additional 104 EV charge points (208 sockets) installed

4.25 The Council has also been awarded £1,020,000 from **Local EV Infrastructure fund (LEVI).** The Council has joined Midlands Connect Consortium with other Local Authorities to maximise the number of on-street charge points. It is anticipated the first on-street EV charge points would be installed from 2026 and rolled out over a five-year period.

4.26 In October 2025 the Council consulted with the public, businesses, and taxi & private hire drivers as part of the refresh of the Council's Electric Vehicle (EV) Charging Infrastructure Strategy. The updated strategy aims to accelerate the borough's transition to electric vehicles by ensuring charging infrastructure is accessible, equitable, and aligned with local needs.

Active Travel

4.27 Active travel initiatives are vital because they reduce carbon emissions from vehicles, helping tackle climate change, while also improving physical health, boosting mental wellbeing, and fostering healthier, more active lifestyles for children and communities.:

4.28 **The New School Journey project** is a year-long initiative promoting active travel and road safety in schools across Telford & Wrekin. So far, 11 schools have participated, with evaluation data showing a marked shift from car use to walking, cycling, and scooting.

4.29 Key outcomes from 2023–24 include:

- **Ladygrove Primary**: Car travel dropped from 141 to 63 pupils; walking and park & stride increased.
- **Meadows Primary**: Car use fell from 188 to 57 pupils; walking and cycling rose.
- **Newport Juniors & Infants**: Similar reductions in car travel and growth in active modes.

4.30 Pupil surveys revealed strong interest in cycling and scooting, suggesting further potential if infrastructure and support continue. The project also includes air quality education, delivered with the Environmental Team. Pupils attend workshops and assemblies on pollution and environmental protection. When pupils were asked what the advantages were responses included "good for your heart and mental health", "avoids traffic and doesn't pollute" and "you can chat with friends".

4.31 Air quality monitors are installed at the start and end of the project to assess impact.

4.32 Community engagement is central, with events like Bike Buses and Group Walks to School. Lawley Village Academy's recent walk drew around 200 participants, showing strong local support.

4.33 **Bikeability Cycle Training**. Bikeability is the national cycle training programme, helping people gain confidence and skills to cycle safely. In 2024–25, Telford & Wrekin saw major growth:

- 1,281 pupils trained, up from 869 in 2023–24—a 47% increase, the highest in England.
- Ranked 5th nationally for delivery growth over two years.
- Introduced Level 3 training, with 46 secondary pupils completing advanced road cycling skills.
- Added a fleet of 20 adapted cycles (hand cycles, trikes, tandems), improving access for SEND pupils.

Renewable Energy Generation

4.34 The Council-owned **Wheat Leasows solar farm** continues to generate renewable energy. In 2024/25 the solar farm produced 3144 MWh of electricity, enough energy to power 1084 homes per year (based on average annual household consumption of 2,900 kWh). With the solar farm continuing to bring benefit across communities through the sale of the energy generated back to the grid, which is then invested back into front line services, the Council is exploring the feasibility of potential new solar generation within the borough.

Planning Policy

4.35 Climate change and sustainability is a key consideration in the review of the Local Plan which sets policies that ensure buildings are more efficient to run, are built from sustainable materials and practices, that carbon reductions are secured through the development process and in ensuring our natural resources are protected.

4.36 As the review progresses following the submission of the new Local Plan to the Planning Inspectorate, policies to support the Council's ambition to drive climate change action gain further weight.

4.37 The Council supports innovation in this area with existing policies designed to reflect the constant change and progression in this field and evidenced by the approval of a number of applications for renewable energy generation. The emerging Local Pan will reflect the more robust provisions for renewable and low-carbon energy set out in the National Planning Policy Framework.

Biodiversity

4.38 Protecting and enhancing Council-owned green spaces and nature reserves supports both climate adaptation and mitigation measures. Since the last report, the Council have been very proactive including:

- Expanding the number of wildflower areas across the borough, now covering 38 areas across 23 sites. A meadow establishment project is underway to overseed native perennial wildflowers in suitable locations such as verges, roundabouts, parks, and open spaces. One example is Randlay Spine, where amenity grassland has been successfully converted into a wildflower meadow.

- Partnering with Buglife on the 'B-line' project to combat pollinator decline by increasing connected wildflower-rich habitats in Telford and Shropshire. Completed in November 2024, the project also engaged local communities through events, education, and citizen science, raising awareness of UK pollinator species and empowering action for wildlife. Further wildflower seeding at Wombridge Green Guarantee site is planned for this autumn.
- Meadow cut areas are now part of all Green Flag Parks to balance nature conservation with recreational use. Additional nest boxes are being installed at Hartshill Park, and bat boxes at Dawley Hamlets Local Nature Reserve, Priorslee, Leegomery, and The Granville.
- A new community orchard has been planted in Wellington, with further tree planting in winter 2025/26.

4.39 The Local Nature Recovery Strategy, developed with Shropshire Council, is advancing rapidly. A steering group including the Environment Agency and Shropshire Wildlife Trust is in place, with adoption by both authorities expected in early 2026 after consultation and Defra approval. The strategy prioritizes peatland restoration, natural flood management, and urban cooling measures.

4.40 Dothill and Shawbirch Local Nature Reserve join Telford Town Park, Bowring Park, Apley Woods, Hartshill Park, Dale End Park and Dawley Park in retaining Green Flag status. Victoria Park in Newport also received the award, bringing the total to eight Green Flags across the Borough. This international quality mark reflects the dedication of Council staff, volunteers and 'Friends Of' groups. Two new Local Nature Reserve sites are being submitted for 2026.

Borough Resources/Waste

4.41 In 2024/25, 16 local community groups benefitted from a share of £14,507 from Envirogrant. A further £15,493 is available in 25/26 opening for bids from local groups in August 2025. Pneuma Affinity CIC was awarded a grant in 2024 to deliver creative workshops exploring the themes of people, planet and connection. The result was The Mosaic of Harmony, created by members of the Telford Autism Hub, who made tiles and used them alongside reclaimed local tiles. The artwork is now installed in The Retreat Rooftop Garden at the shopping centre.

4.42 Also in 2025/26, as part of the Veolia Added Social Value fund, a further £10,000 has been agreed to support and expand reuse opportunities. Since April 2024, 11 sale events have taken place and 3 online auctions with nearly 100 tonnes of waste reused. Monthly sale and online auction events continue.

4.43 Alongside this education on food minimisation continues to be delivered jointly with Veolia. Multi language bin hangers and literature have been developed including Punjabi, Romanian and Polish to increase recycling participation. Monthly social media plans highlight the waste journey, recycling and waste minimisation along with an annual collection day calendar delivered to all residents with key messages on reduce, reuse, recycle.

4.44 Reintroducing food recycling within Council buildings is currently being investigated by Building Services. For schools, the Waste team can signpost food waste recycling collections and through the Services for Schools team a dry recycling collection is available for schools in Telford and Wrekin to buy into.

Catering Services

4.45 The Council's **Let's Dine** school catering service continues to offer options supporting healthier, low-carbon diets. Meat content in recipes has been reduced and replaced with alternative proteins to meet food standards while lowering environmental impact. Catering teams have worked closely with school action groups to eliminate 98% of single-use plastics. Regular reviews are conducted to identify more sustainable alternatives across all catering operations. Where possible, the service partners with local suppliers who share our commitment to quality and sustainability.

4.46 Used cooking oil is collected and recycled into biofuel, reducing food waste and supporting cleaner energy sources. Efforts are also underway to improve kitchen energy efficiency, with staff encouraged and trained to adopt more sustainable practices. To further reduce emissions, the Council is exploring the replacement of three hired delivery vans with electric or hybrid alternatives, alongside assessing the feasibility of on-site vehicle charging infrastructure.

Carbon Emissions 2024/25

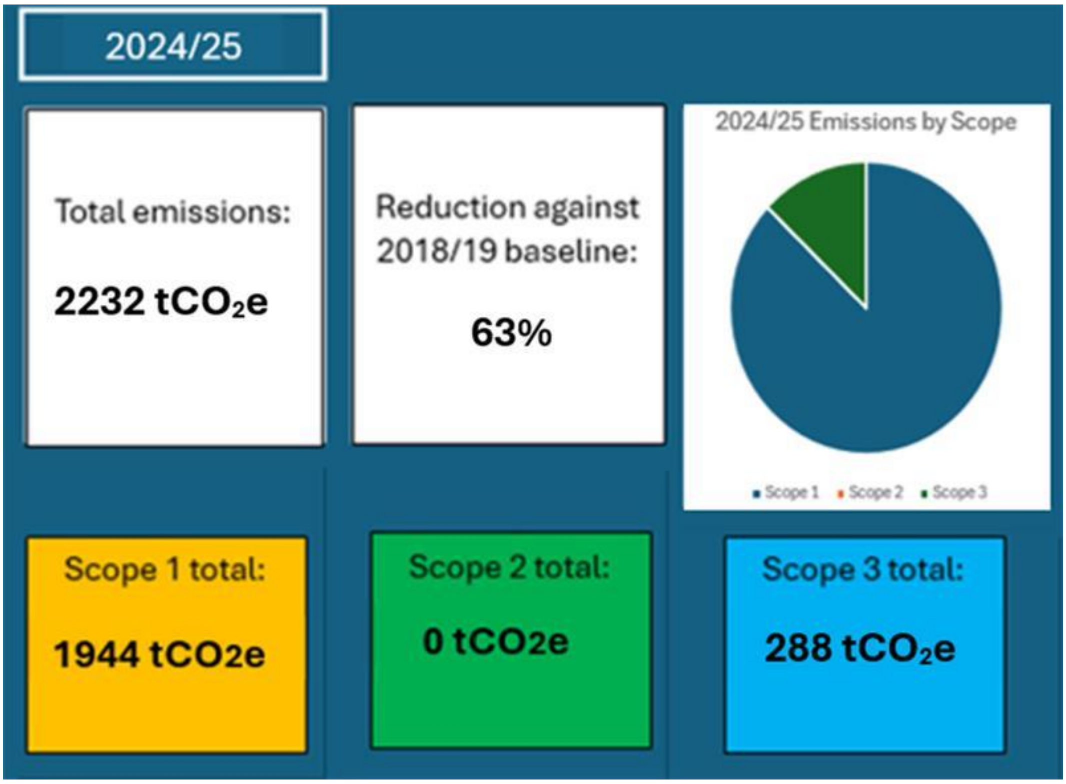
4.47 We continue to monitor our scope 1, 2 and 3 emissions in line with the Local Government Association reporting guidance. To do this, Telford and Wrekin Council have undertaken ‘in-house’ greenhouse gas (GHG) accounting, using the LGA GHG accounting tool for guidance.

Scope 1: Corporate estate – gas usage
Fleet vehicles – fuel usage

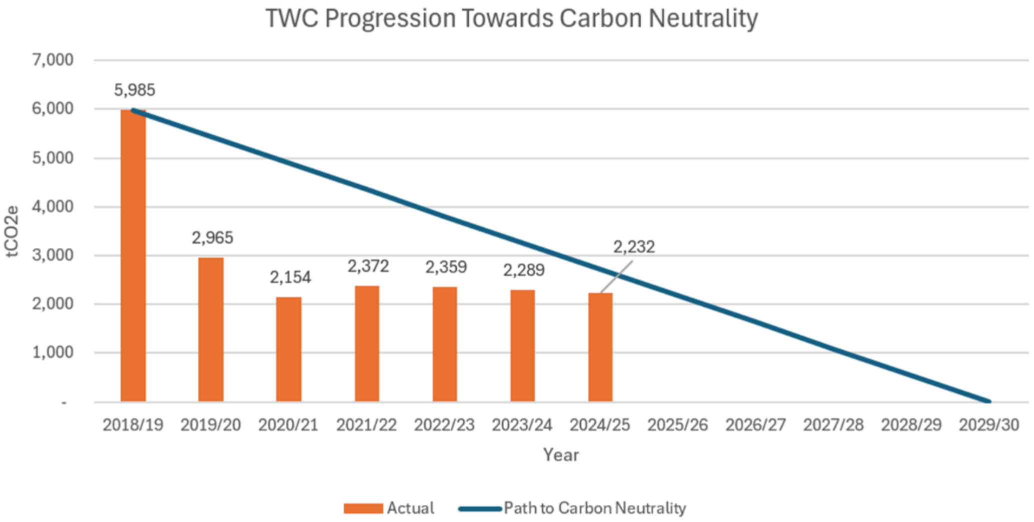
Scope 2: Corporate estate - electricity usage
Street lighting – electricity usage

Scope 3: Business mileage
Water supply & treatment
Electricity - transmission & distribution losses

4.48 A summary of the key emission headlines for the 2024/25 reporting year is shown below:



4.49 Overall, comparing the 2024/25 reporting period to the 2018/19 baseline data, the Council has reduced its emissions by 63%. In the context of our path to becoming Carbon Neutral by 2030, our emission reductions are currently 8% ahead of target.



4.50 Moving to renewable green energy as part of the West Mercia Energy (WME) Green Deal means the Council's emissions from electricity have been hugely reduced. The Council's electricity consumption is made up of electricity used in our buildings and the boroughs streetlighting.

4.51 Through active electricity management, consumption has fallen by 28% compared to 2018/19. This includes a 33% drop in streetlighting use following LED replacements and a 23% reduction in our buildings against the 2018/19 baseline, plus a 16% decrease compared to 2023/24.

4.52 Both greenhouse gas emissions and gas usage in our corporate estate has fallen by 4% compared to 2023/24 due to increased building efficiencies and decarbonisation interventions.

4.53 The Council's transport related emissions in 2024/25 have increased compared to 2023/24. Fleet vehicle related emissions have risen by 18%, while business mileage related emissions have decreased by 7%. This trend is attributed to the launch of the Enterprise car club for business travel and employee behaviours. Some staff members previously may not have claimed mileage for business travel they've done in their personal vehicles, while 100% of journeys undertaken in car club vehicles will be recorded through fuel card data.

4.54 To ensure the Council continues its journey to carbon neutrality work has been undertaken to develop a high-level carbon descent pathway identifying measures and projects the Council can implement to reach a 70% reduction in emissions by 2026/27 as the next step to 2030. The Council is working with the Midlands Net Zero Hub (MNZH) to prioritise potential projects based on capital cost; revenue and carbon savings; and eligibility for available funding such as the Green Heat Network Fund (GHNF).

Climate Change Adaptation

4.55 Climate change impacts include both chronic long-term effects such as drier summers and wetter winter but also an increase in the frequency and intensity of weather-related events such as flooding and heat waves. The following table from a study by the Climate Change Committee in 2017 summarises the principal risks climate change poses.

Figure SR.1: Top six areas of inter-related climate change risks for the United Kingdom

4.56 As a deliverer of key services and a community leader, Telford & Wrekin Council has a responsibility to adopt climate adaptation measures across its operations and to support resilience across the wider borough. Our response to climate change needs to ensure procedures are in place to react to emergencies already being witnessed. Equally we must proactively plan how services are delivered in the future to strengthen the resilience of both the Council and the communities we serve. This commitment is reflected in the Council Plan 2024-2027, which sets out a clear ambition to ensure that ‘communities are resilient to the impact of climate change’. It is also a key Ambition of the Council’s Vision 2032

4.57 In September 2023 Environment Scrutiny considered the Council’s response and this led to the development of the Corporate Climate Change Risk Register which was presented to Cabinet on 16 May 2024 after extensive cross Council engagement, an all-Councillor seminar and further work with the Environment Scrutiny members. The Scrutiny Committee continues to receive annual reports.

Adaptation Risk Register Update – 2025

4.58 The 2025 update to the Council’s Climate Adaptation Risk Register (see Appendix B) demonstrates continued progress on the actions identified in 2024. A significant number of risks have not required revision this year, as existing controls remain appropriate and effective.

4.59 Several actions, particularly those linked to the Prosperity and Investment theme, are scheduled to be implemented following the adoption of the Local Plan, which is anticipated within the next 12 months. Once adopted, the Climate Change Supplementary Planning Document (CCSPD) and the Green Space Standard will be reviewed and updated accordingly to reflect the new planning framework.

4.60 The Council continues to invest in digital channels providing a 24/7 service and enabling the Customer Contact Centre to handle higher call volumes, particularly during emergencies such as flooding, events expected to increase in frequency due to climate change.

4.61 Significant progress is being made to strengthen the Council's corporate Business Continuity Plans (BCPs). The Climate Adaptation Risk Register is being used to inform these plans, ensuring that relevant climate-related risk controls are embedded within each Business Group's continuity arrangements. The BCPs are expected to be in place by the end of 2026 and will be reviewed and updated annually. This approach ensures that a climate lens is consistently applied when planning for known business risks across the organisation.

4.62 In parallel, substantial work has been undertaken to support Town and Parish Councils in developing robust emergency planning for their communities. A dedicated session was held in October 2025 to introduce a new Emergency Plan template, designed to help local councils prepare for a wide range of risks, including flooding, extreme heat and cold, wildfires, and other climate-related hazards.

4.63 This template, along with updated and localised information to be published on the Council's 'Dealing with Specific Risks' pages within the 'Emergencies' section of the website, will form a comprehensive 'resource for Town and Parish Councils. This initiative directly addresses an action from the 2024 Climate Adaptation Risk Register. These emergency plans will also be reviewed annually, helping ensure that local communities are actively considering climate impacts and adapting to a changing environment.

4.64 Below are some further examples demonstrating actions the Council is taking based on the risk register.

Case Study 1 Arthog

4.65 Education and Skills Business Group identified *“Developing locations which are less prone to significant weather events, more sheltered*” as an action in the risk register. During the Easter school break 2025, a group of Children in Care, under the support of the Virtual School, attended an outdoor education residential at Arthog Wales. The planned activity for the morning of the second day was a canoe trip on the Mawddach estuary. However, with a yellow weather warning for heavy rain and strong winds, this activity was assessed as being too risky. Fortunately, the team at Arthog have worked with local landowners to gain access to a sheltered inland pond which allowed the canoeing activity to go ahead at this alternative location.

4.66 Since the last report progress has been made as the team have negotiated with local landowners to access a number of sites locally and, where necessary, agreed an annual rent or access fee to use this site, this will ensure availability of suitable activities in extremes of weather. This includes the above-mentioned pool which we now have access to all year round and are able to store equipment at for easy access.

Case Study 2 Local Nature Reserves

4.67 **Apley Woods Local Nature Reserve** In response to increased erosion and silting due to heavy rainfall Telford and Wrekin Council Officers, idverde and the Friends of Apley Woods Volunteers worked together to plant phragmites (reeds) in fenced areas around the pool in May 2025. This was recommended by the Environment Agency as a natural way of improving water quality. The pool has suffered from algal blooms and the reeds will act as a natural filtration system for the pool by removing excess nutrients from the water. The reedbeds also will increase oxygenation and help to stabilise the banks, creating additional habitats for wildlife

4.68 **Horsehay Pool Local Nature Reserve**: Reed planting in the form of floating rafts has also been provided at Horsehay Pool LNR this spring with additional reeds to be planted by the Friends of Horsehay this summer.

4.69 We have also engaged with community organisations to explore the shared challenges we face in adapting to a changing climate. These conversations have highlighted the importance for every organisation to develop their own adaptation plans, while also recognising the need for stronger collaboration across sectors.

4.70 Adapting to and preparing for ongoing climate change is a long-term journey that will take time to develop however as illustrated the foundations are being laid and by working together, we can build a more resilient Borough that is better prepared for the impacts of climate change.

4.71 The Council continues to support communities with this where appropriate and will maintain ongoing dialogue to identify further opportunities for collaboration. Some examples include:

- Supporting local flood action groups
- Using Councillor's Pride Funding to enable community-led adaptation measures
- Signposting to relevant funding opportunities, such as Reaching Communities England.

Borough - wide partnership work

4.72 Although the primary focus of this report is the Councils' own activities, we continue to work with our partners to progress the climate change agenda through the Climate Change Borough Partnership. Four partnerships act as subgroups to the overall partnership.

- Communities Climate Forum
- Telford Sustainability and Energy Cluster (TSEC).
- The Shropshire and Telford & Wrekin Integrated Care System Climate Change Board
- Shropshire Good Food Partnership.

4.73 The Council remains committed to supporting the Borough Climate Change Partnership with the 2024 annual conference taking place at the Park Lane Centre in Woodside. This brought together partners communities and businesses borough-wide to share updates, showcase action, and develop new opportunities for collaboration. Discussions focused on both climate change mitigation and adaptation, reinforcing the shared commitment to building a more sustainable and resilient future.

4.74 In preparation for the 2025 conference over the summer, we commissioned an independent facilitator to lead targeted engagement with local communities, including parish and town councils, community buildings, and voluntary and community organisations. The aim was to deepen collective understanding of the environmental challenges we face, explore opportunities for stronger collaboration, and identify ways to build community resilience, supporting and involving local residents along the way. As a result, two potential projects were identified for further exploration by attendees. shared communications and decarbonising community buildings

4.75 The 2025 Conference included speakers from the ICS, Fabweld, Shropshire Good Food Partnership, and Randlay Community Centre showcasing their work inspiring others and shared examples of their work to inspire and inform others. The event provided a further strengthening connections across the network.

Business Support

4.76 Telford's businesses play a vital role in achieving the Borough's sustainability and climate change ambitions. Many of the area's employers are leading the way in addressing climate challenges and driving forward sustainable practices.

DeterTech

"Sustainability is at the heart of DeterTech's strategic plans. In early 2026, we will manufacture and undertake end-of-life waste processing will be brought in-house, which provides us the opportunity to fully understand and influence our impact on the environment. DeterTech have control over supplier selection and processing of waste streams, holding suppliers to account for their environmental performance".

Richard Harris - Director of Technical Services DeterTech

Fabweld Steel Products

At FSP, sustainability is embedded in our business strategy, not only as a commitment to reducing carbon emissions and increasing self-sufficiency, but as a powerful driver for operational efficiency, cost reduction, and competitive advantage. Our sustainability initiatives have enabled us to streamline processes, optimize resource use, and deliver innovative solutions that support both environmental and commercial goals. By integrating sustainable practices throughout our operations, we have strengthened our market position and unlocked new opportunities for growth. For FSP, sustainability is not just a responsibility it is a catalyst for progress and long-term success.

Wayne Carter – Managing Director Fabweld Steel Products

4.77 The Council continues to support the **Telford Sustainability and Energy Cluster (TSEC)**. The cluster foster business collaboration, drives sustainable practices, and is addressing common challenges among Telford businesses that will create a positive environmental, social and economic impact. In April 2025 TSEC considered the impact of the requirements of Environmental, Social, and Governance (ESG) which refers to a set of standards for a company's operations that socially conscious investors use to screen potential investments. 4Under Corporate Social Responsibility (CSR), businesses are increasingly expected to align with ESG principles.

4.78 The **Marches Energy Grant (MEG)** programme closed in April 2025. Key outcomes included awarding 21 business grants and 2 community centre grants totally £483,532 to support. These grants supported energy efficiency improvements and sustainability initiatives across local organisations, contributing to the borough's wider climate and carbon reduction goals.

Car dealership TJ Vickers received £55,361 towards installing solar panels on its Trench car showroom. The panels are expected to generate over 72,400 kWh annually, equivalent to the electricity use of around 20 average UK homes. Thanks to the grant, the investment is projected to pay back within four years.

Plastic free

4.79 Telford & Wrekin Council continue to act as the secretariat for the Plastic Free Taskforce who meet to share experiences and work towards accreditation. This includes running awareness-raising campaigns and encouraging more local businesses and community organisations to sign up to a plastic-free pledge, committing to remove as many single-use plastics from their operations as possible. The taskforce remains focused on building momentum through local champions, targeted outreach, and celebrating success stories to inspire wider uptake.

4.80 A borough wide campaign was run over the summer covering Plastic Free July which included sharing tips, resources and information to help residents make simple swaps to reduce their use of single-use plastic. The taskforce also took the opportunity to lobby big manufacturers to encourage them to reduce plastic packaging and adopt sustainable alternatives, whilst also reaching out to local manufacturers in the borough to encourage more to get involved in the local campaign. This include features on businesses such as The Little Green Pantry in Wellington


Shropshire Star
News Sport Entertainment Newsletters

Telford eco shop which has saved 125,000 pieces of plastic from landfill is 'fantastic example' for green schemes

A Telford business has helped to save more than 125,000 pieces of single-use plastic from landfill since opening its doors.

Supporting Community Projects

4.81 To date, the Council has awarded more than £348k to a number of community projects through the Council's Climate Change Fund. Most recently this has included:

4.82 **Climate Action Hub Telford** who, as a result of their grant, have been able to establish a presence in Wellington by holding free monthly Sustainable Sunday Events at Belmont Hall. Each event focuses on a different aspect of sustainability and looks to engage members of the public in an interactive and informative way. Attendees are treated to refreshments and sustainable plant-based snacks.

In 2024:

- A total of 918 people and 189 stallholders have attended their Sustainable Sunday events.
- People have donated 888.5 Kg of unwanted items to them, and they have re-homed 999 items.
- They also re-homed 105 Kg of clothes at their Sustainable Fashion event.
- People brought in 118 Kg of recyclable items which were sent to Terracycle and Recycling for Good Causes, and 30.2 Kg electrical items for recycling.
- They loaned out 46 books from their Eco-Library
- They served hundreds of plant-based meals and snacks

4.83 **Hollinswood & Randlay Parish Council** Thanks to support from the Climate Change Fund, Hollinswood & Randlay Parish Council installed solar panels at Randlay Community Centre in spring 2024. One year on, the system has generated 30 MWh of electricity, enough to power 10 homes annually. Of this, 7 MWh was used onsite and 23 MWh exported to the grid, significantly reducing energy costs and supporting community work. The project also delivered an estimated carbon saving of 6,212 kg CO_2e.

4.84 Building on this success, the Parish Council secured a further £60k from the Marches Energy Grant, enabling investment across all three of their sites. In total, around £130k has been invested, with £70k provided through grants including 10k from the Climate Change Fund.

4.85 **Sutton Hill Church.** In August 2023, The Climate Change Fund helped Sutton Hill Church replace all the old ground floor windows in the church building. The 28mm Double Glazed 'A' Rated Argon Filled windows represent a significant upgrade on the previous windows which were leaky, inefficient, and outdated. Now Sutton Hill Church can benefit from greater thermal efficiency of their building, reducing costs for heating and lower emissions. The users of the church will also benefit from a more comfortably heated and insulated area. The before and after example below also highlights to aesthetic improvement these windows have provided to Sutton Hill Church.


Next steps

4.86 To build on the progress made to date and to ensure that the Council's carbon mitigation work fully contributes to wider issues of extreme weather and fuel poverty the following areas of work are seen as a priority:

- To keep the Corporate Climate Change Action Plan and Adaptation Risk Register under constant review and to work across the authority to identify new initiatives.
- To continue to monitor progress on a quarterly basis to ensure change is being made and to identify and address challenges quickly. The assignment of actions to specific officers will be continued to embed accountability into the plan.
- To continue greenhouse gas accounting and comparison against the decarbonisation pathway to effectively track progress to net zero.
- To continue to explore potential sites for corporate renewable energy generation.
- To ensure that any actions to address climate change continue to support Telford's residents, community groups and businesses address the impact of increases in fuel prices and fuel poverty.
- To continue to raise awareness of climate change to staff to support better-informed decision making that incorporates climate change and its impacts.
- To continue to share the positive climate work happening within the Council and across the community by strengthening our existing communication channels.
- To continue to work with our partners across the Borough to support wider climate change actions.

5 Alternative Options

5.1 The alternative option would be to take no further action, which would result in the Council failing to deliver on its climate change commitments. This approach carries significant reputational risk, particularly given the Council's role as a community leader. Neglecting issues such as building energy efficiency and renewable energy development would lead to increased fuel costs and missed income opportunities. It would also negatively affect the health, wellbeing, and economic resilience of businesses, communities, and residents across Telford & Wrekin.

5.2 Failure to produce and regularly update a climate change adaptation risk register would prevent the Council from identifying service-related risks and responding effectively to climate-related emergencies. This could result in higher future costs and increased disruption to services, reputational damage, and reduced resilience to extreme weather events.

6 Key Risks

6.1 The Climate Change Committee's *Independent Assessment of UK Climate Risk for the UK* (CCRA3), published in June 2021[3] sets out the priority climate change risks for the UK which are also relevant locally were action not to be taken. In summary, risks in the report include:

- The impacts of climate change on the natural environment.
- An increase in the range, quantities, and consequences of pests, pathogens, and invasive species.
- more frequent and severity of flooding, and coastal erosion, causing damage to infrastructure services.
- A reduction in public water supplies due to increasing periods of water scarcity.
- The impact of extreme temperatures, high winds, and lightning on the transport network.
- The impact of increasing high temperatures on people's health and wellbeing.
- Disruption to the delivery of health and social care services due to a greater frequency of extreme weather.
- Damage to cultural heritage assets as a result of temperature, precipitation, groundwater and landscape changes.
- Impacts internationally that may affect the UK, such as risks to food availability, safety and security, risks to international law, trade routes and public health.

7.0 Council Priorities

7.1 The Council's work on climate change and sustainability is a direct response to the Council's priority "Our natural environment is protected, and the Council has a leading role in addressing the climate emergency". However, as a cross-cutting agenda it also has a significant contribution towards all other Council priorities including:

– Every child, young person, and adult lives well in their community.
– Everyone benefits from a thriving economy.

[3] https://www.ukclimaterisk.org/wp-content/uploads/2021/06/CCRA-Evidence-Report-England-Summary-Final.pdf

- All neighbourhoods are a great place to live.
- A community-focussed, innovative Council providing efficient, effective, and quality services.

8.0 Financial Implications

8.1 The initiatives outlined in the report are funded from a combination of Council funding, and external grant funding. Finance will provide ongoing support in relation to any bids for external funding as required. Scheme expenditure is monitored on a regular basis. Financial implications are considered as part of the Risk Register.

9.0 Legal and HR Implications

9.1 The Climate Change Act 2008 (as amended) establishes a legally binding target to reduce the UK's greenhouse gas emissions by 100% by 2050 when compared with the 1990 baseline. At a local level, Section 19(1A) of the Planning and Compulsory Purchase Act 2004 requires local planning authorities to include in their local plans, policies designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change. In the management of its activities, provision of its services and performance of its functions, local Councils are able to play a vital role in meeting the challenges posed by climate change. The Council has wide scope to decide how best to address these challenges.

9.2 The Council has the legal power to undertake the activities set out in the report. Implementation of the proposals in this report may give rise to specific legal issues upon which legal advice will be provided as necessary.

9.3 There are no specific human resource implications arising from this report.

10.0 Ward Implications

10.1 This report has a borough wide impact.

11.0 Health, Social and Economic Implications

11.1 Climate change is expected to continue having a significant impact on the health, social, and economic wellbeing of residents in Telford and Wrekin. For example, the summer of 2025 was the warmest on record, with prolonged heatwaves posing serious health risks—particularly to vulnerable groups such as older adults, children, and those with existing health conditions.

11.2 Many of the actions outlined in the Council's Climate Change Plan offer substantial health co-benefits, including improved air quality, increased access to green spaces, and better housing energy efficiency. These measures not only support climate resilience but also contribute to healthier, more equitable communities. The impact of climate change is also considered in the Council's Health and Well Being Strategy 2023-2027

12.0 Equality and Diversity Implications

12.1 The Council's Climate Change Action Plan and Adaptation Risk Register take account of the legal requirement to pay due regard to the aims of the Public Sector Equality Duty. Key to this is consideration of people's specific needs based on their protected characteristics.

People who share protected characteristics of age, race, ethnicity, and disability are often disproportionately affected by climate change and its consequences. This is true locally and internationally. Extreme weather events, for example heat waves most detrimentally affect older residents and those with pre-existing respiratory and cardiovascular conditions.

The success of our climate change activity relies on active participation by the whole community. Steps are taken to make sure that events are inclusive, and the differing needs of individuals are considered so that they can access activities and contribute effectively

13.0 Climate Change, Biodiversity and Environmental Implications

13.1 This report sets out how Telford and Wrekin Council is addressing the current and future impacts of climate change and is therefore a key mechanism to support the Council's climate change work.

14.0 Appendices

A Telford and Wrekin Council Carbon Neutral Action Plan
B Telford and Wrekin Strategic Climate Change Adaptation Risk Register

15.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	17/11/2025	18/11/2025	AEM
Legal	17/11/2025	19/11/2025	EH
KKynaston	13/11/2025	24/11/2025	KK

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Telford and Wrekin Council Corporate Carbon Neutral Action Plan (updated October 2025)

The Corporate Climate Change Carbon Neutral Action Plan reflects the Councils' priorities for climate change; to decarbonise the Council's activities, explore renewable energy feasibility, support communities in decarbonisation and build resilience against the impacts of climate change.

The Action Plan is a living document and is monitored and updated by the Climate Change Team on a regular basis. It is formally reviewed and reported to Cabinet as part of the annual Climate Change Report.

1 Adaptation			
	Action	**Comments**	**Lead Area**
1.1	Update the Corporate Risk Register annually.	The Adaptation Plan Cabinet report and accompanying Corporate Risk Register was formally adopted on 16/05/24. Risk register has been updated for 2025 and will continue to be updated annually moving forward.	Climate Change & Sustainability
1.2	Annual updates on the progress of the Adaptation Plan to be shared with Environment Scrutiny Committee.	The Adaptation Plan now forms part of a wider Climate Change report which will be presented to Environment Scrutiny Committee 4th March 2026.	Climate Change & Sustainability

	Action	Comments	Lead Area
2 Affordable Warmth			
2.1	Explore a group buying scheme for domestic solar PV and battery storage e.g. Solar Together or a local alternative.	This is currently being promoted through the Future Ready Homes scheme, working in partnership with the Marches Energy Agency.	Climate Change & Sustainability / Strategic Housing, Employment & Infrastructure
2.2	Explore carbon reduction proposals for future NuPlace developments.	Donnington Wood Way: All Nuplace properties complete and occupied. "12 Months On" tenant case study to be developed to explore how the occupier is finding living in a Future Home. The monitoring of the impact of Future Homes properties on tenants will be used as learning and to review their roll out. Station Quarter: Works commenced on site to deliver a low carbon / sustainable scheme at the heart of the town centre.	Prosperity & Investment
2.3	Promotion of energy efficiency activities addressing fuel poverty for eligible residents through Telford Energy Advice (TEA).	Embedded in business-as-usual service delivery with regular monitoring by the Strategic Housing Team. This is used to monitor challenges facing residents and shape information shared via communication campaigns and to shape any new grant opportunities.	Strategic Housing & Regeneration
2.4	Develop support measures for residents most impacted by high energy rises but who fall outside the Government's definition of fuel poverty. This could include grants for renewable installations and	Warm And Well Telford grant now live, and extends eligibility beyond that required by the government to reach more residents "in the gap".	Strategic Housing & Regeneration

	Action	Comments	Lead Area
	insulation in conjunction with the Government's Great British Insulation Scheme (GBIS).	Residents may be eligible if gross combined household income is less than £50,000 per year, which means we can reach more people than by using the £36,000 gross combined household income threshold set by the government. In a joint bid with Shropshire and Herefordshire, we were successful in securing Warm Homes Local Grant funding for all 3 authorities of £6,717,405. This funding will allow us to deliver energy performance and low carbon heating upgrades to low-income homes in the borough.	
2.5	Procure a second round of energy efficient lightbulbs to support vulnerable residents and those in fuel poverty.	New supplier now in place. Since the last update, 7,184 LED bulbs have been distributed through 33 key community partners across the borough signed up as distributors, with the last order being in April 2025. Since the schemes inception in November 2022, a total of 18,184 LED bulbs have been distributed to residents to support with the cost-of-living crisis.	Climate Change & Sustainability
2.6	Install fabric first energy efficiency measures through the Home Upgrade Grant (2) funding for eligible off-gas properties in the borough.	The Grant scheme was completed in March 2025.	Strategic Housing & Regeneration

	Action	Comments	Lead Area
2.7	To enforce the Minimum Energy Efficiency Standards on non-compliant landlords. Ensuring all private rented properties meet the minimum EPC rating.	Embedded in business-as-usual service delivery through the Private Sector Housing Team.	Strategic Housing & Regeneration
3 Biodiversity & Carbon Sequestration			
3.1	Explore use of green finance and accreditation in the management of TWC's open space which will also increase carbon capture and resilience.	Action wording has been broadened, previous wording: "Explore accreditation schemes for biodiversity offset e.g. Carbon Credits and the Woodland Carbon Code." Biodiversity Net Gain is live for planning applications, however there is no simple mechanism for a Council to deliver offsite works; this is being monitored. Proposed that the Carbon Credits and Woodland Carbon Code is incorporated into the larger remit of borough green space management including LNRs.	Prosperity & Investment
3.2	Developments to contribute towards the maintenance and/or extension of the borough's canopy cover (areas covered by trees) through various mechanisms to be defined through the Local Plan.	The new Local Plan has been submitted to the Government Inspector and is anticipated to be subject to examination in public in early 2026. . Policy NE2 - Tree policy requires protection of trees and mitigation for any loss. Ward level	Prosperity & Investment

	Action	Comments	Lead Area
		canopy data and opportunity mapping to inform level and type of new tree provision within new developments.	
3.3	As LNRS is adopted by TWC, TWC to investigate funding opportunities to deliver climate beneficial projects on TWC land that align with LNRS priorities.	Local Nature Reserve Strategy (LNRS) progressing in partnership with Shropshire (lead authority) and a steering group including the Environment Agency & Shropshire Wildlife Trust. No specific creation targets are within the strategy; however, it sets out areas of high potential and habitat types that would be most beneficial and practical. Adoption of the LNRS expected in early 2026 following public consultation and approval from DEFRA.	Prosperity & Investment
3.4	Create and enforce a biodiversity net gain commitment for new developments such as trees and hedges.	The Publication version of the new Local Plan Policy NE3, sets a minimum of 10% Biodiversity Net Gain in line with legislation and sets an aspiration for 20% subject to viability. Hierarchy to deliver onsite first before offsite solutions are considered and weighted accordingly.	Prosperity & Investment
3.5	Create and enforce green space requirements for new developments through development management.	The proposed new Local Plan Policy NE4 includes a Greenspace Factor for major development (0.4 residential, 0.3 non-residential).	Prosperity & Investment

	Action	Comments	Lead Area
4 Borough Resources/Waste			
4.1	Promote and, where able, support circular economy initiatives through the added value commitments within the Waste Services Contract.	Annual investment from 24/25 has been 10k into the new reuse initiative. To date nearly 100 tonnes of waste has been rescued and reused. Further reuse events are planned. Ongoing Promotion through Communications and Engagement of these initiatives and education on food minimisation is delivered jointly with Veolia.	Neighbourhood Services Contract Management and Performance
4.2	Reintroduce a food recycling service in council buildings with the potential to also engage schools.	**Facilities Management update -** Resources to implement are currently limited. Cleaning contracts have recently been reduced so would be unable to take on the extra work of collecting the food waste bins in Council buildings. Position is subject to review with potential to implement alongside expected changes to domestic waste collection in 2026. **Waste Team update -** To drive up recycling rates across England, Central Government have introduced a number of resource and waste reforms including Simpler Recycling. From 31 March 2025 non-households (inc Schools) will be required to have in place collections of recycled	Neighbourhood Services Contract Management and Performance

	Action	Comments	Lead Area
		materials to include plastic, cans glass, foil, a separate collection of paper and card, and also food waste Schools have control over which waste management provider they use, however we offer a recycling service at cost pass through. This has and is being promoted through the Telford Education Services team, by attending Head teachers forum, through the education newsletter and via Veolia when they deliver the education program in schools.	
5 Corporate Catering			
5.1	Explore school catering options with the aim to make council-run catering services low-carbon.	Three vans are currently hired to deliver food to nurseries and the option of switching to three EV / hybrid vans is currently being investigated. Lack of onsite charging remains a barrier.	Catering Group

	Action	Comments	Lead Area
6 Corporate Estate			
6.1	Identify and deliver one community or publicly owned renewable energy project (e.g. new solar farm, solar streets, mine water district heating).	Several options are currently being investigated.	Climate Change & Sustainability
6.2	Wellington Leisure Centre refurbishment. Consultants commissioned to identify a range of energy efficiency measures with a view to submitting a bid to Salix 3c in October 2023.	£1.082M bid to Salix was successful for thermal upgrade and Air Source Heat Pump technology. Works completed in late August 2025.	bIT
6.3	Implement new power settings and usage controls on laptops, monitors and printers to reduce energy usage when not in use.	Printer reduction is part of a new contract, and laptops are part of a Lenovo zero carbon initiative.	Information and Digital Technology (IDT)
6.4	Explore new opportunities to improve the energy efficiency of the council's Property Investment Portfolio (PIP).	Potential to add Solar PV to Euston House as roof now replaced and has the structural integrity.	Regeneration and Investment
6.5	As part of the wider Levelling Up Fund-funded project to install LED lightning, solar panels, air source heat pump and upgraded thermal fabric to Telford Theatre, subject to survey.	The project design team have incorporated low power LED lighting, the reuse of existing PV and a thermal specification that goes beyond building regulation standards to increase the energy performance of the new Telford Theatre building. Following the start of demolition, construction works are due on site in early 2026 with theatre delivery in 2027.	bIT
6.6	Ercall Wood School (extension) to include LED lighting solar PV and upgraded thermal fabric.	Works currently on site. System includes upgraded thermal fabric, Solar PV, LED lighting and EV chargers. Handover August 2025	bIT

	Action	Comments	Lead Area
6.7	Lawley School (extension) to include LED lighting Solar PV and upgraded thermal fabric.	Works now complete. Works included LED Lighting, Solar PV, EV chargers and thermal upgrade above building regulations.	bIT
6.8	Investigate measures to improve energy efficiency at Unit 10 Horsehay (The Skills & Enterprise Hub).	Midlands Net Zero Hub's Project Barrier Fund application is currently being filled out to enable funding to look at the feasibility of a range of measures on site.	Climate Change & Sustainability
6.10	Oakengates Leisure Centre Thermal upgrade to Fitness Suit and pool refurbishment including air source heat pump, upgrade thermal fabric etc.	Complete with site reopening on schedule on Monday 22nd July 2024.	bIT
6.11	Captain Matthew Webb Swimming and Fitness Centre to be designed and constructed with sustainability at its core, incorporating low carbon technologies to reduce operational carbon emissions.	The project is designed with sustainability at its core, focusing on low energy consumption and reduced carbon emissions, aligning with the Council's carbon neutrality target. The Dawley area, identified as having the highest unmet demand for swimming provision, was chosen after a thorough site review. Subject to planning approval, the facility is expected to open in early 2027, creating over 20 local jobs and contributing to the Council's goal of building a better borough.	bIT

	Action	Comments	Lead Area
6.12	Work with the Midlands Net Zero Hub (MNZH) to develop next phase of improvement works to key operational buildings.	Discussions ongoing to investigate feasibility of a shared heat network between several key operational buildings. Site information has been sent across for feasibility reports to be produced with site visits to be arranged to progress these reports in early 2026.	Climate Change & Sustainability
7 Highways & Transport			
7.1	Install charging points for electric vehicles at Darby House.	Awaiting Believ to install EV charging points.	bIT
7.2	Develop and implement a Corporate Travel Plan minimising car travel for staff commuting and between offices.	Car club trials continue, HR to consider wider policy elements.	Strategic Transport & Highway Network Management
7.3	Deliver the Councils electric vehicle strategy including the installation of 140 EV charging points through external funding.	The Council was awarded £683,370 from On-street Residential Charge Point scheme (ORCS) managed by Office for Zero Emission Vehicles (OZEV) for the installation of 70 dual fast EV charge points in Council car parks to support residential charge points. The Council has appointed an EV charge point operator who will deliver the ORCS funded charge points but will also fully fund additional EV charge points in Council car parks. Overall, this project could see an additional 104 EV charge points (208 sockets) installed over the next 12 months.	Strategic Transport & Highway Network Management

	Action	Comments	Lead Area
7.4	Procurement of a multi partner electric vehicle framework and deployment across car parks in Telford and Wrekin – not limited to Telford & Wrekin Council ownership.	In partnership with EV operator Believ, the first 14 dual electric vehicle charge points have been successfully installed and commissioned across five car parks within the Borough. Planning and installation work is already underway for the next phase, which will see additional car parks equipped with EV charging facilities.	Strategic Transport & Highway Network Management
7.5	Local EV Infrastructure scheme	The Council has been awarded a grant of £1,020,000 from Local EV Infrastructure fund (LEVI). The Council has joined Midlands Connect Consortium with other Local Authorities to pool grant funding in order to maximise the number of on-street charge points. The consortium is currently procuring an EV charge point operator with the aim to enter into contract in the new year subject to successful procurement. It is anticipated the first on-street EV charge points would be installed from 2026 and then rolled out over a five-year period to 2031. The contract would operate for 15 years.	Strategic Transport & Highway Network Management

	Action	Comments	Lead Area
7.6	Review the Council's Fleet Services to ensure optimum efficiency and carbon reductions.	Electric bus being trialled on public bus network with a view to potentially investing in the future.	Strategic Transport & Highway Network Management
7.7	Improvements to bus and rail services through the development of the Local Transport Plan.	New contracts operational with Arriva, routes performing well since transfer and further operational benefits being explored.	Strategic Transport & Highway Network Management
7.8	Improvements to cycling and walking routes as well as a review of the Local Transport Plan to include a new Walking and Cycling Strategy.	Ongoing as BAU. Last phase of Oakengates to Town Centre scheme about to commence.	Strategic Transport & Highway Network Management
7.9	Explore the provision of a 100% renewable fast charging electric vehicle forecourt.	Council will continue to support developers to bring forward EV charging forecourts were applicable.	Strategic Transport & Highway Network Management
7.10	Identify where natural flood management approaches and Sustainable Drainage Systems (SuDS) can be used to increase carbon sequestration.	This is done ad hoc as no budget is specifically allocated for a strategic approach. No NFM or SuDS schemes are currently funded/live.	Neighbourhood and Enforcement Services
7.11	Explore public car share schemes for residents such as Co Wheels Car Club.	Linked to 7.2, to be trialled internally first.	Strategic Transport & Highway Network Management

Action		Comments	Lead Area
8 Investment and Business			
8.1	Introduce training and skills provision for industrial decarbonisation - including carbon literacy training, engagement with providers and specific apprenticeship schemes including the Retrofit Academy.	The Retrofit Academy programme continues to be provided via Local Skills Improvement Fund (LSIF) with delivery through local Training Providers.	Inward Investment and Business Support
8.2	Support the ongoing rollout of the Marches Energy Grant.	The programme closed in April 2025. A final report on what has been achieved from the project delivery partner (Worcestershire council council) has been received, highlighting the below outcomes: -Number of business grants awarded and completed = 21 -Number of community centre grants awarded and completed = 2 -Amount of funding awarded = £483,532	Inward Investment and Business Support
8.3	Support for the Telford Sustainability and Energy Cluster.	Following a study visit for businesses to Tyseley Energy Park in February 2024 a programme of further visits and knowledge exchange is being delivered including to Lyreco to look at their onsite renewables which took place on the 20th June 2024. The TSEC AGM at Harper Adams University included NGED who also ran a workshop for businesses in October 2024 to address grid connection issues. Through our TSEC membership, we have also been able to introduce companies to Hemiko who are keen to engage with companies to supply heat and energy	Inward Investment and Business Support

	Action	Comments	Lead Area
		networks. We have also introduced some eligible Telford businesses to The River Severn Partnership who will be recipients of funded industrial water butts for a wastewater project.	
9 Planning Policy			
9.1	Use the review of the Local Plan to develop robust policy that supports and promotes a move to carbon neutrality. This includes consideration of how development will need to adapt to the impacts of climate change and promotes opportunities to maximise carbon sequestration in the future.	The Local Plan review has now reached submissions stage and is anticipated to be subject to examination by an independent government appointed inspector, in early 2026.	Strategic Planning

	Action	Comments	Lead Area
10 Plastic Free			
10.1	Review single-use plastic used in the Council's procurement processes.	Procurement template documentation includes climate change & environmental questions for the supply chain.	Place Based Commissioning, Procurement & Brokerage
10.2	Achieve plastic free accreditation for the borough by end 2027 (potentially first local authority to do so).	Ongoing work programme with T&WPC and partners.	Climate Change & Sustainability
10.3	Review single-use plastic used in our Care sector: first aid / medical equipment, disposable aprons, vinyl/latex gloves are not widely recyclable – research and replace with sustainable alternatives where possible.	Majority of single-use plastic comes from PPE (gloves and aprons) and greener alternatives don't appear to be widely used in the care sector and those "greener" alternatives still rely on either a biodegradable nitrile, with varying claims, or incorporating a relatively small amount of recycled plastic. Research also suggests that the energy required to produce the alternatives may leave a much larger carbon footprint. Greener alternatives are also at a premium price. Similar issues relating to purchasing single-use plastic free milk. Further work planned with the Integrated Care System (ICS).	Adult Social Care

	Action	Comments	Lead Area
11 Communications and Engagement			
11.1	Explore employee discount or salary sacrifice schemes to support employees with buying energy efficient purchases such as solar panels / battery installations.	The benefits platform continues to offer a salary sacrifice car scheme covering Electric and Hybrid cars as well as free installation of an electric home charging point (subject to conditions). There is not an option for solar panels or battery installation, and this is not something our current provider plans to offer nor are we aware of other providers who offer this. However, our current benefits contract is coming to an end so we will be reviewing our benefit platform provider over the coming 12 months and will include this as a consideration when reviewing tenders.	Organisational Development
11.2	Raise more awareness of climate change through events such as showcasing local food, stalls, speakers, activities and crafts etc.	We host the Marches Energy Agency (MEA) with their T&WC funded Telford Energy Advice stall at our events including Spring into St Georges Day - raising the profile of the energy saving and carbon reduction measure advice service that they offer as well as giving advice and free saving devices such as smart plugs and LED bulbs. MEA also attend the Climate Change Borough Partnership Community Forum meetings, as well as the partnerships annual conferences, developing key relationships with communities in the borough to	Culture & Wellbeing Services

	Action	Comments	Lead Area
		promote and deliver their services such as Telford Energy Advice (TEA) and Future Ready Homes.	
11.3	Develop and deliver an engagement programme for local schools, community groups, interest groups and residents to promote climate change and gauge ways to support/get involved with the Borough Partnership.	Borough Climate Change Partnership event took place on 18th October 2024. The 2025 conference took place Friday 31st October at the Park Lane Centre.	Climate Change & Sustainability
11.4	Periodically hold a youth climate summit – as part of this promote and increase take-up of Eco-Schools programme.	A second Youth Climate Summit is being planned for 2026.	Climate Change & Sustainability
11.5	Ensure that all employee benefits that would contribute to our carbon reduction and carbon offsetting targets are clearly identified in our employee benefits package.	The Benefits platform has recently undergone an upgrade and refresh - as such, the content remains the same, but the look and feel has changed. Therefore, work is needed to identify those elements of the platform (e.g. salary sacrifice car and bike schemes) which contribute to carbon offsetting - this will be undertaken as part of our tender and implementation process for our new benefit platform provider.	Organisational Development
11.6	Continue to roll out climate change awareness across the council via Ollie and through management and leadership meetings.	Ollie course “Climate Change: An Introduction” is now live. Next phase is to consider rolling out Carbon Literacy training.	Climate Change & Sustainability

	Action	Comments	Lead Area
12 Performance and Monitoring			
12.1	Investigate the inclusion of additional Scope 3 emissions in the Council's baseline. This could be extended to include areas such as indirect emissions created by goods / services procured by the Council and those emissions as a result of waste generated.	We are currently looking at the feasibility of including further Scope 3 emissions as well as those already included in reporting.	Climate Change & Sustainability
12.2	Annually monitor & report on greenhouse gas emissions (CO_2e) of the Council's estate and services internally and publicly via corporate website.	Calculations to finalise 2024/25 carbon emissions are almost finalised subject to water consumption figures – these make up a very small proportion of our overall emissions. Six monthly reporting will continue during 25/26.	Climate Change & Sustainability
12.3	Re-establish a Council cross-working group to help support the ongoing review and monitoring of the plan.	This is currently being reviewed internally. Actions are led by individual services and reported on a rolling basis and for the annual reporting.	Climate Change & Sustainability

Appendix B - Telford and Wrekin High Level Corporate Climate Change Risk Register

Climate change adaptation refers to the process of building resilience against the current and predicted impacts of climate change.

To take a proactive, not reactive approach to climate adaptation, it is necessary that risks are identified, and measures are put in place to reduce their impact. The development of a Climate Change Risk Register forms a major part of this process.

This Corporate Climate Change Risk Register developed by Telford and Wrekin Council aims to identify the most critical risks that the Council's services and stakeholders will face. The register assesses the Council's risk to the current and predicted impacts of climate change using the four climate hazards as identified by the Met Office[1]:

- Warmer, wetter winters
- Warmer, drier summers
- Extreme weather: heatwaves
- Extreme weather: flooding and storms

This Risk Register follows Telford and Wrekin Council's standard risk assessment method, ranking each risk using the 'likelihood' and 'impact' scoring matrixes (see below). Attached to each predicted risk is an accompanying mitigation measure. Predicted risks have then been given a revised likelihood and impact ranking to determine the effect of the mitigation measure if implemented. This allows the Council to determine the effect of the mitigation measure if implemented.

Telford & Wrekin Council
Strategic Risk Register updated January 2019

Definitions used in the risk register:

Likelihood of Risk Occurring

Occurrence	Description
Unlikely	Unlikely to ever occur
Rare	May occur only in exceptional circumstances
Likely	Will probably occur at some time
Almost certain	Is expected to occur in the foreseeable future

Figure 1: Likelihood scoring matrix.

[1] UKCP18 Climate Change over land (Met Office)

Impact of Risk if it does Occur

Descriptor	Financial	Reputation	Physical	Environ-mental	Service
Insignificant	Low	No damage	None	None/ insignificant	No loss of service
Minor	<£50K	Minimal/ minimal media/ social media	Minor	Minor locally	Internal disruption only, no loss of service
Moderate	£50K to £1m	Extensive local media/social media	Violence or threats of serious injury requiring medical treatment	Moderate locally	Disruption/ loss of service less than 48 hours
Significant	£1m to £5m	National media/social media	Extensive/ multiple injuries	Major local impact	Disruption/ loss of service less than 7 days
Major	>£5m	Extensive national media (lead item)/social media	Extensive multiple injuries/ death	Major national/inter national	Severe disruption/ loss of service more than 7 days.

Figure 2: Impact scoring matrix

Climate Change Risk Register: High-level Risks

Ref	Hazard	Risk	Result	Likelihood without controls	Impact without controls	What are we going to do to manage the risk?	Likelihood with controls	Impact with controls
1.1	Severe weather: extreme heatwaves	Potential for roads to melt and deform	Additional maintenance expense on carriageway	Almost certain (Is expected to occur in the foreseeable future)	Significant	Incorporate Polymer Modified Binders within surfacing to increase the allowable range of the material and therefore decrease the likelihood of deformation. This is an ongoing solution with the Council partnered with Balfour Beatty and Tarmac.	Likely (Will probably occur at some time)	Moderate
1.2	Severe weather: extreme rainfall and storms	Increased high wind events causes trees to come down on the highway, impacting the resilience of the network (connectivity). Increase flooding events will majorly impact the resilience of the highway network (connectivity), including: Increased rate of deterioration of roads. Physical damage to roads requiring repair. Working capacity of drains reduced leading to more frequent exceedance. Increased Land Drainage investigations and enforcement. Increased emergency response and deployment of flood barriers Increased number of enquiries from public. Reduced strategic development and delivery.	Additional demand on resources Additional maintenance expense on carriageway Reduced connectivity and mobility Increased numbers of property flooding Need to re-prioritise investment.	Almost certain (Is expected to occur in the foreseeable future)	Significant	Prioritise the response within the resources available. This is an ongoing solution with the Council partnered with Balfour Beatty.	Almost certain (Is expected to occur in the foreseeable future)	Moderate

1.3	Severe weather: extreme heatwaves	Information and Digital Technology (IDT) issues: - Cabling - overheating of comms-rooms - switches infrastructure - impact to networks communication - voip call centres. - Schools power outages	Disruption to the overall communications network. Increased pressure on Information and Digital Technology (IDT) team to resolve IT issues. Impact to staff wellbeing. Online council services unable to run.	Likely (Will probably occur at some time)	Moderate	Maintenance contracts for air-conditioning are up to date and services conducted regularly. This is an ongoing solution with contracts already in place. All services maintain business continuity plans addressing impact of loss of online services	Likely (Will probably occur at some time)	Moderate
1.4	Warmer/drier summers	Increase in air particulates leads to worsening air quality.	Increase in respiratory illness increase in excess morbidity, mortality. School closure impact on communities, increase in demands on health care services – Telford and Wrekin may be impacted from pollution that arises outside its boundary.	Likely (Will probably occur at some time)	Significant	Education and awareness. This is an ongoing solution with the Council partnered with UKHSA, DEFRA and ICB. Potential for changes in working patterns - starting earlier - longer midday breaks finishing later.	Rare (May occur only in exceptional circumstances)	Moderate
1.5	Warmer/drier summers	Mechanical cooling insufficient	An increase in cooling infrastructure (air conditioning installations) and energy consumption for cooling. Telford Ice rink cooling system fails. Significant loss of income if Ice rink closes. Increase costs of running cooling infrastructure/ replacing broken cooling infrastructure.	Almost certain (Is expected to occur in the foreseeable future)	Moderate	Temporary portable Air Conditioning units. Ensure new and refurbished buildings have sufficient systems to maintain the required environmental conditions. Switch to greener cheaper energies, fabric insulation. New buildings designed with greater insulation to avoid extremes heat or cold. This is under ongoing review.	Likely (Will probably occur at some time)	Moderate

			More money is spent on energy and less on other services.					
1.6	Severe weather: extreme rainfall and storms	Damage to buildings roofs. Reduction/cancellation of services – reputational impact. Health and safety of outdoor activities. Access to facilities Staff being able to get into buildings. Damage to historic assets.	Building closures. Event cancellations. Increased construction specifications. Financial costs- viability and repairs. More at risk of deterioration.	Almost certain (Is expected to occur in the foreseeable future)	Moderate	Building condition surveys. Maintenance contracts. Facility checklists. Written operating procedures/risk assessments and emergency action plans. New developments chosen in suitable locations with good green and grey infrastructure (traditional stormwater infrastructure in the built environment). Effective policy to ensure sites are conditioned and infrastructure delivery. Manage council owned assets and review Risk Register.	Likely (Will probably occur at some time)	Moderate
1.7	Severe weather: extreme heatwaves	Increase in potential of wildfires	Property damage and risk to human life, increased air quality exceedances, increased use of water. Increase demand on services. Economic impact - property loss Evacuation of areas of housing.	Likely (Will probably occur at some time)	Significant	Thorough planning to ensure that all new builds have a fire break between boundary of site and open fields. Education and awareness raising - emergency planning preparedness. This is an ongoing solution.	Rare (May occur only in exceptional circumstances)	Significant

			Cost of ongoing welfare support.					
1.8	Severe weather: extreme heatwaves	Health risks: Increase in heat stress	Increased incidents of heat related health impacts/illnesses In particular, those who are vulnerable, elderly, those with heart and respiratory conditions and diabetes. This is likely to be significant for people with care and support needs, families, and carers and within the care workforce. Subsequent impact is that there will be an increase in demand on health and care services and the potential lack of capacity to deliver business as usual services and address additional demand. Care settings close leaving vulnerable people without care. Care Home Market is usually at 94% occupancy so there are no alternative locations easily available. Care settings come to the council to	Likely (Will probably occur at some time)	Significant	Ensure that estate is equipped with cooling infrastructure - ideally powered by on-site renewables to reduce running costs Ensure vulnerable residents are supported in times of extreme heat to reduce demand of NHS. Working with public health and health protection teams to promote ways to reduce heat stress – to staff and residents.	Rare (May occur only in exceptional circumstances)	Moderate

			increase fees to support installation of climate management systems.					
1.9	Severe weather: - extreme heatwaves - extreme rainfall and storms	Infrastructure risk: lack of access to health services	Due to current and future infrastructure challenges, travel and public transport options may be severely limited for residents. This will impact on their ability to receive timely support for their needs which will subsequently cause an increase in demand on health services as people are unable to receive the preventative support at the right time. This could also mean that people are unable to receive/access emergency care when needed which could potentially result in an increase in deaths.	Almost certain (Is expected to occur in the foreseeable future)	Major	This forms part of the Council's emergency response, alongside the Integrated Care System. Guidance would be shared with all staff and promoted to residents about how to keep safe and access health services in potentially different ways.	Likely (Will probably occur at some time)	Major
1.10	Severe weather: extreme heatwaves	Infrastructure risk: access to records limited due to server failure and / or computer failures due to overheating.	Employees are unable to view people's records to enable a full picture of the person's needs. Business Continuity Plans will be instigated which will include information at a point in time but	Likely (Will probably occur at some time)	Significant	This is part of the current Business Continuity Plans and procedures are already in place to ensure a copy is available should the servers fail.	Rare (May occur only in exceptional circumstances)	Significant

			long periods of time without records will have an impact on the person, their family and the people who are providing the care and support needed.					
1.11	Severe weather: - extreme heatwaves - extreme rainfall and storms	Pressure on Health Systems – GP and Hospitals.	Increase risk of health complications and death in vulnerable people.	Almost certain (Is expected to occur in the foreseeable future)	Significant	This forms part of the Council's emergency response, alongside the Integrated Care System. Guidance would be shared with all staff and promoted to residents about how to keep safe and access health services in potentially different ways.	Almost certain (Is expected to occur in the foreseeable future)	Significant
1.12	Severe weather: extreme heatwaves	Heatwaves pose a health risk to vulnerable residents in the Borough, i.e. elderly and young children.	Increased cases of sunstroke/dehydratio n/heat-related deaths.	Almost certain (Is expected to occur in the foreseeable future)	Major	Work with Town and Parish Councils and other community organisations to identify the most vulnerable residents in their communities. Map and signpost cool spaces for community use. Work with Town and Parish Councils and other community organisations to promote this Support the creation of a ‘information pack that is circulated to Members, alongside the delivery of an in-person ‘deep dive’ Members session that covers climate change, community impacts and adaptation. An Emergency Plan template has been developed and shared with Town and Parish Councils to be reviewed annually to enable them to add a climate lens on to any emergency	Likely (Will probably occur at some time)	Moderate

						they may need to prepare for. Support the creation of awareness and education materials for members on sunstroke/dehydration. Use a range of materials: online/postal/displays in community 'hubs' (i.e. libraries).		
1.13	Severe weather: extreme rainfall and storms	Flash flooding affecting areas away from rivers.	Residents/communities who are not experienced with flooding are significantly impacted due to ill-preparedness.	Almost certain (Is expected to occur in the foreseeable future)	Significant	Town and Parish Councils/members to input into list of emergency flooding contacts for their areas. Support the creation of a 'disaster pack' that is circulated to Members, alongside the delivery of an in-person 'deep dive' Members session that covers climate change, community impacts and adaptation. An Emergency Plan template has been developed and shared with Town and Parish Councils to be reviewed annually to enable them to add a climate lens on to any emergency they may need to prepare for, including flooding. This will form part of BAU for disaster planning in each ward. Learn/knowledge share from wards who have more experience in adapting to flooding events (I.e., Ironbridge). Members to help, where appropriate, with practical measures such as	Likely (Will probably occur at some time)	Moderate

						supporting with/promoting actions e.g. clearing drains.		
1.14	Hotter, drier summers	Increased risk of long-term drought/water shortages.	Long-term drought and water scarcity will impact everyone living and working in the Borough	Likely (Will probably occur at some time)	Significant	Support in the creation of awareness and education materials for members that address water shortages to circulate within the community. Work alongside Town and Parish Councils and community organisations to encourage behaviour change during periods of drought – e.g. water rationing. Encourage residents to collect water.	Likely (Will probably occur at some time)	Moderate

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Audit Committee

28 January 2026

2024/25 Audited Statement of Accounts

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance and Customer Services
Lead Director:	Michelle Brockway - Director: Finance, People & IDT
Service Area:	Finance, People & IDT
Report Authors:	Edward Rushton - Head of Corporate & Capital Finance
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 – 28 January 2026

1.0 Recommendations for Decision/Noting

It is recommended that Audit Committee

1.1 Approve the 2024/25 Statement of Accounts attached at Appendix A

1.2 Grant authority for the Chair to sign the Letter of Representation

1.3 Grant delegated authority to the Director: Finance, People & IDT, following consultation with the Chair, to make any final changes required to the Statement of Accounts prior to publication.

2.0 Purpose of Report

2.1 To provide Members with an update on the audit of the Council's accounts for 2024/25 and present the Statement of Accounts for approval. At the time of writing this report KPMG had substantially completed the audit and delegated authority is therefore sought to make any final changes required prior to publication. We will update members of material changes as appropriate

3.0 Background

3.1 The Statement of Accounts is prepared on an International Financial Reporting Standards (IFRS) basis as interpreted by the Local Government Accounting Code of Practice which continues to add a level of complexity.

3.2 In accordance with the Accounts and Audit (England) Regulations 2015 and associated Amendment regulations, the Chief Financial Officer certified the draft statement of accounts in May 2025. These were presented to Audit Committee on the 28 May 2025, made available for public inspection and provided to the external auditors to undertake the audit of accounts.

3.3 As previously reported to Members, nationally there is a backlog of outstanding unaudited accounts in England and to tackle the backlog, the Government legislated statutory backstop dates. The back-stop dates were laid in Parliament on 9 September 2024 in The Accounts and Audit (Amendment) Regulations 2024 and are:

Financial Year	Statutory Backstop Date
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

3.4 To meet backstop dates, some financial statements will be published with ‘modified’ opinions, which may vary depending on the extent to which the auditor is able to evidence assurance through their audit work.

It is pleasing that the audit opinion (unqualified) and certificate for Telford & Wrekin Council’s 2023/24 Statement of Accounts were received in February 2025, ahead of the back-stop date. We also anticipate an unmodified audit report along with an unqualified audit opinion for the 2024/25 Statement of Accounts which is the best possible outcome, meaning the auditor has obtained sufficient evidence to support a view that the financial statements are materially accurate and fairly represent the audited body’s financial situation.

3.5 The Government published its formal response to the Local Audit System in England consultation in April 2025. The consultation aimed to address the severe backlog and systemic issues in local audit. The outcome included a package of 16 commitments to reform the fragmented and underperforming system. The key measures which have been designed to improve transparency, accountability and resilience in local authority financial management included –

- **The establishment of the Local Audit Office (LAO)** - a new statutory body which will oversee local audit, manage contracts, and set the Code of Audit Practice,
- **Mandatory Audit Committees** - all authorities must establish audit committees with independent members,
- **Backstop Deadlines** - strict statutory dates for clearing audit backlogs and publishing audited accounts,
- **Simplified Accounts** - streamlined financial reporting requirements to reduce complexity,
- **Capacity Building** - initiatives to expand auditor workforce and introduce public provision options,
- **Proportionate Regulation** - adjusted regulatory burden to retain audit firms while maintaining quality,
- **Quality Reviews** - learning-focused reviews to improve audit standards, and
- **Transition Plan** - gradual transfer of functions to LAO over several years.

3.6 As required by regulation, the updated statement of accounts is now presented to members for approval, prior to publication. This Committee has delegated authority to approve the council's audited Statement of Accounts.

3.7 The Council's external auditors, KPMG will provide an update on their audit work, findings and recommendations to Audit Committee Members at this meeting.

3.8 A number of changes to the accounts have been identified, which have been agreed and included in the updated Statement of Accounts, appended to this report. Further details of these can be found in section 4 below. The changes do not affect the outturn position or General Fund Balance which remain as reported to Cabinet on 19 June 2025 (an underspend against budget of £0.091m, equivalent to -0.06% of the net budget).

3.9 Following approval, and any final changes required, the Statement of Accounts will be published on the Council's web site and a copy will be circulated to Audit Committee Members.

4.0 Summary of main proposals

4.1 A number of changes have been made to the accounts during the course of the audit, following discussion with KPMG. None of these have impacted on the General Fund Balance position previously reported and noted above. In summary, the main changes are:

- **Property, Plant and Equipment / Investment Property** – a review of assets was undertaken during 2024/25 to ensure that assets within the council's Property Investment Portfolio were correctly classified. Whilst the outcome of the review was reflected in the unaudited statement of accounts further disclosures have been included including the prior period restatement of both Property Plant & Equipment and Investment Property.

- **IFRS 16 impact on Service Concessions (PFI)** – the outcome of commissioned exercise to assess the impact of Service Concessions following the adoption of the IFRS Account Standard for leases was not available prior to the publishing date of the unaudited statement of accounts. The outcomes have been reviewed and reflected in the audited statement of accounts.
- **Property Plant & Equipment** – expenditure during the year on one asset was incorrectly identified as REFCUS in the unaudited accounts. Correction impacted the balance sheet, £2.070m, PP&E and the Capital Adjustment Account and associated capital adjustments within the Comprehensive Income & Expenditure Statement (CIES) and Expenditure & Funding Analysis (EFA).

  Reclassification of £7.7m of assets from Other Land and Building to Surplus Assets within Property, Plant & Equipment.
- **Local Government Pension Scheme (LGPS) revaluation** – the audit identified that the incorrect valuation technique for secondary pension contribution had been used to value inputs to the LGPS. The corrected position had the impact of reducing the Asset Ceiling by £37.9m. This has impacted the Pension Liability which has reduced from £52.3m to £14.4m and the unusable Pension Reserve.
- **Note 47: Related Parties** – a number of small amendments following further review to ensure completeness.
- Various wording and presentational changes
- The Narrative Statement, Core Financial Statements and Group Accounts have been updated to reflect all changes as appropriate.

4.2 A number of items identified through testing remain uncorrected following discussion with KPMG as they fall below the materiality limit. These include –

- Immaterial Asset valuation differences.

4.3 The updated Statement of Accounts are included in Appendix A.

4.4 An unmodified audit report along with an unqualified audit opinion is anticipated.

4.5 To comply with International Auditing Standards, the external auditor will also present a separate report to those charged with governance, including recommendations, to the Audit Committee which comments on the final accounts audit.

5.0 Alternative Options

5.1 Production and publication of the statement of accounts is a statutory requirement. Changes to the Statement of Accounts have been discussed and agreed with the Council’s external auditors, KPMG.

6.0 Key Risks

6.1 The audited statement of accounts together with an unqualified audit opinion provide assurance to local taxpayers, Councillors and other stakeholders about the

Council's financial position and governance arrangements which is important for transparency, accountability and decision making. Without these there could be reputational, legal and financial risk.

7.0 Council Priorities

7.1 The statement of accounts summarises the cost of services provided by the Council during the year which relates to the delivery of all Council priorities.

8.0 Financial Implications

8.1 The financial impacts are detailed throughout the report.

9.0 Legal and HR Implications

9.1 The Statement of Accounts has been prepared in accordance with the 2024/25 Code of Practice on Local Authority Accounting, the 2015 Accounts and Audit Regulations (and subsequent amendments), and The Accounts and Audit (Amendment) Regulations 2024. Legal advice is provided on an ongoing basis in relation to the statement of accounts.

10.0 Ward Implications

10.1 There are no impacts on specific wards

11.0 Health, Social and Economic Implications

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

12.0 Equality and Diversity Implications

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

13.0 Climate Change, Biodiversity and Environmental Implications

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

14.0 Background Papers

1. 2024/25 Unaudited Statement of Accounts
2. 2024/25 Financial Outturn Report
3. General Ledger Reports
4. 2024/25 CIPFA Code of Practice on Local Authority Accounting
5. Code for Infrastructure Assets (November 2022)
6. Accounts and Audit (England) Regulations 2015 and associated Amendments

15.0 Appendices

Appendix A Audited Statement of Accounts 2024/25

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Director	15/01/2026	19/01/2026	MLB
Finance	15/01/2026	15/01/2026	ER
Legal	15/01/2026	20/01/2026	RP

Telford & Wrekin Council

Audited Statement of Accounts

2024/25

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Narrative Report

The Narrative Report provides a summary of the Council's performance for 2024/25 and compliments the detailed Financial Statements in providing a fair, balanced and understandable analysis of the year. It comprises the following sections:

A. ORGANISATIONAL OVERVIEW

1. Introduction

Telford & Wrekin Council is a Unitary Authority created in 1998. Situated in Shropshire, the Borough is a mix of urban and rural areas including Telford New Town, the market town of Newport and the UNESCO World Heritage Site, the Ironbridge Gorge – the birthplace of the industrial revolution. Surrounded by countryside and farmland, more than two thirds of the Borough is classified as rural.

The Council delivers a vast range of services to its community of more than 190,000 people, including Education, Waste Collection and Disposal, Care for Vulnerable Adults and Children, Leisure Centres and Play Facilities.

In October 2020, the Council's Cabinet agreed a refreshed Council Plan to *"Protect, Care and Invest to create a better Borough"*. The Plan was updated in November 2024 for the period 2024/25 to 2026/27 to reflect changes in Cabinet following the national elections and to ensure that it aligned with the Council's Medium Term Financial Plan. It is a vision which is centred on building a strong local identity and resilient and healthy communities by driving housing and economic growth whilst protecting and enhancing our reputation as a green town. Despite the financial constraints, Telford & Wrekin Council is a progressive Council with ambitions to improve the Borough and the lives of residents and to be known as "the place of enterprise, innovation and partnership". The programme identifies 5 priorities to deliver the vision:-

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

The Council Plan, which is available on the Council's web site (link below), identifies the organisation's strategies to deliver these priorities in the medium term.

Working with partners the Council has developed long-term vision for the borough that sets out the place they want the Borough to be in 2032. As well as being aspirational it seeks to address some of the challenges the Borough faces.

The Council will work together with the community and partners to collectively deliver the best possible service outcomes for Telford & Wrekin with the combined resources available.

Council Plan / Programme	Introduction - Council Plan and priorities - Telford & Wrekin Council
10-year vision	Telford Vision 2032 - Telford & Wrekin Council

2. Background Information

Political Context

The Borough is divided into 32 wards and there are 54 Councillors. Borough elections are held every 4 years, with the most recent being held in May 2023 and the next election due in May 2027.

The Council operates a Leader with Cabinet decision making system. The Council is Labour controlled.

Senior Management Team

At 31 March 2025

Chief Executive
Director: Finance, People & IDT
Director: Policy & Governance
Executive Director: Place
Director: Neighbourhood & Enforcement Services
Director: Prosperity & Investment
Executive Director: Adults Social Care, Housing & Customer Services
Director: Adult Social Care
Director: Housing, Customer & Commercial Services
Executive Director: Children's Services & Public Health
Director: Children's Safeguarding & Family Support
Director: Education & Skills
Director: Health & Wellbeing

Legislative Framework

The Council operates within the legislative and regulatory framework as determined by Government. The Statement of Accounts are prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting and the 2015 Accounts and Audit Regulations (and associated amendment regulations), and comply with the relevant Local Government Acts, Accounting Standards and other CIPFA guidance.

Economic Profile

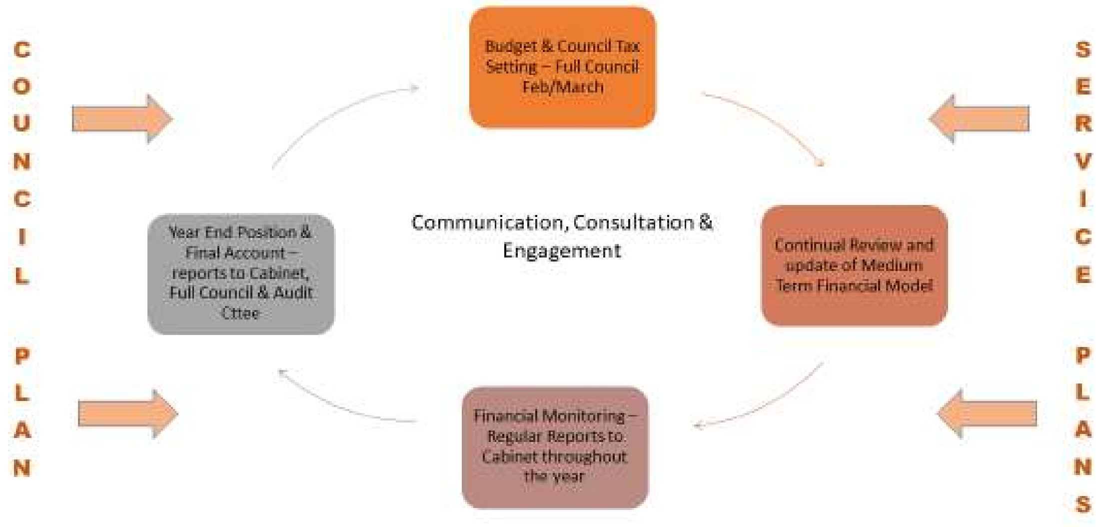
The Borough has a diverse manufacturing sector, a flourishing tourism sector and research and development facilities. There is a strong focus on manufacturing with other important sectors being advanced engineering, food and drink, construction, education and retail.

An estimated 93,000 people were employed in the Borough at the end of 2024.

There were 7,075 business units, in VAT and/or PAYE based enterprises in the Borough in 2024, an increase from 7,045 in 2023.

Tourism is an important contributor to the local economy with the borough attracting 4.2 million visitors each year, to attractions such as Telford Town Park, Southwater and the Ironbridge Gorge, bringing £800m economic benefit to the Borough.

3. Council's Service & Financial Planning Cycle



Reports to Council, Cabinet and Audit Committee can be accessed via the Council's web site.

4. An Overview of the Budget 2024/25

The Council has a rolling Medium-Term Financial planning process. This was updated for 2024/25 formally by reports to the Council's Cabinet in January and February 2024 with final decisions taken at Full Council on 29 February 2024.

The decisions on the medium-term budget strategy at Full Council reflected the outcome of consultation following publication of the budget proposals on the 4 January 2024.

The provisional funding settlement for 2024/25 was announced, on the 18 December 2023, followed by the final settlement on the 5 February 2024. Overall settlement saw Revenue Support Grant increasing by 6.7% (CPI Inflation) and the Council benefited from additional funding for Social Care however the settlement was for 1 year only. As anticipated the Council faced a budget shortfall and after delivering £156.9m of savings since 2009/10 further savings of £17.6m were required in 2024/25.

The agreed strategy for 2024/25 to meet the savings requirement and to continue to invest in the area to support both the community and businesses was:

- An additional savings package delivering an additional £17.6m in savings / additional income from general fund budgets
- £5.9m net investment into Adult Social Care in 2024/25
- £7.6m net investment into Children's Safeguarding in 2024/25
- A commitment to work with partner organisations to seek new solutions to deliver services to minimise the impact of cuts
- To continue to deliver jobs and investments and provide additional income through business rates, council tax and New Homes Bonus

The decision was made to increase council tax by 4.99% for 2024/25, which included the 2% Adult Social Care precept introduced by the Government in 2016/17. As a result, the Council Tax for Council Services in 2024/25 (Band B) was £1,195 per year (Band B is the typical band for Telford & Wrekin, Band D is £1,537). The Council had the lowest Council Tax out of all Councils areas in the Midlands region for the services which we provide.

2024/25 Budgeted Net Revenue Spend		
2024/25 Total Net Revenue Spend	**£m** **157.296**	**%**
Funded From:		
Government Grant (RSG and 'Top Up' Grant)	**18.279**	**12%**
Retained Business Rates/Section 31 Grant	**50.648**	**32%**
Council Tax	**86.953**	**55%**
Collection Fund	**1.416**	**1%**
Total Funding	**157.296**	**100%**

5. Workforce Analysis

	31 March 2024		**31 March 2025**	
	Head count	**FTE**	**Head count**	**FTE**
Male	715	617.7	715	616.5
Female	2,084	1,550.1	2,101	1,572.1
Total	**2,799**	**2,167.8**	**2,816**	**2,188.6**

Workforce Information	Introduction - Workforce information - Telford & Wrekin Council

B. GOVERNANCE & TRANSPARENCY

The 2024/25 Annual Governance Statement is included within the Statement of Accounts – see page 32. The Statement outlines that the Council has adhered to its Local Code of Corporate Governance, continually reviewing policies and procedures to maintain and demonstrate good corporate governance and that it has in place robust systems of internal control.

The Council is committed to openness and transparency and publishes details of all spending over £100 every month (link below). The Statement of Accounts are a public record of the Council's financial position for 2024/25, showing what has been spent, income that has been received, together with assets and liabilities. The Statement of Accounts is prepared on an International Financial Reporting Standards (IFRS) basis as interpreted by the Local Government Accounting Code of Practice. The information is presented as simply and clearly as possible whilst adhering to the IFRS reporting regulations.

Spend Over £100	Expenditure over £100 - Expenditure over £100 - Telford & Wrekin Council

C. OPERATIONAL MODEL

Despite the severe financial constraints, Telford & Wrekin is a progressive Council with ambitions to improve the Borough and lives of residents. The organisation will continue to change and develop in response to the challenges we face, particularly the need to make further savings. At the heart of our model has been 4 key delivery themes:

1. Solving problems and promoting social responsibility to reduce demand for services – the Council can no longer afford to, and neither is it right that the Council can fix every family or community challenge. It is the role of the Council, and its partners, to work with and support families and communities and so reduce demand on public services.

2. Challenging and changing, reviewing and reimagining how we do things – despite the savings we have had to make, we have worked hard to avoid simply cutting services to balance the books – this would be the easy thing to do. We have had to be creative and find new ways to deliver services and ensure that our services are as efficient as possible. For example, working with Town and Parish Councils, community groups and organisations to deliver libraries, community centres, markets, children's centres and youth services. Examples include "Feed the Birds" scheme to tackle social isolation, "Bench to Bench" to encourage people into activity, "Calm Café" to support people in managing their mental wellbeing and "Community Action Teams" intended to improve the public realm in local areas. In addition, the Council works with over 2,600 volunteers who act as Snow Wardens, Health Champions, Climate Change Champions and more.

3. Reducing our Dependency on Government Grants – this is an essential part of our financial strategy; to increase and maximise income into the Council from sources other than Government Grants, for example the Solar Farm, NuPlace (a wholly owned housing company) and securing external funding.

4. Being a Modern Organisation, with Modern Practices and where we always get the Basics Right

- **Workforce** – the Council has a hard working and dedicated workforce committed to the values of service and making a difference to the community. Our workforce strategy sets out how we will support the workforce to ensure that they have the right skills and knowledge to deliver services.
- **Technology** – investing in ICT to keep our systems up to date and enable us to drive efficiencies and savings as well as ensuring that the ICT network is robust and secure.
- **Customer Focus** – improving the customer journey and outcomes by driving digital transformation including the enablement of "self-service" at the customer's convenience through the "My Telford" app and the digital assistant "Ask Tom". Full detail is in the Council's digital strategy.
- **Performance** – our performance framework tracks the progress we are making to deliver our priorities. This is an essential part of our approach to evidence-based decision-making.

Financial Management – the Medium-Term Financial Strategy sets out how we will use our money to deliver our priorities and value for money, including where we will invest more in our priorities and where we are still required to make savings and deliver efficiencies.

D. RISKS AND OPPORTUNITIES

The strategic risk register identifies the substantive issues which need to be managed but which could impact negatively on delivery of the Council's priorities. The key strategic risks identified for 2024/25 are listed below, with details of the steps that the Council is taking to manage these key risks included in our risk register.

Failure to discharge duty of care for a vulnerable child or a vulnerable adult
Inability to • match available resources (financial, people and assets) with statutory obligations, agreed priorities and service standards • deliver the financial strategy including capital receipts, savings and commercial income • fund organisational and cultural development in the Council with the constraints of the public sector economy
Losing skills, knowledge and experience (retention and recruitment) in relation to staffing
Significant business interruption affecting ability to provide priority services e.g. critical damage to Council buildings, pandemic etc.
Inability to manage the health and safety risks in delivering the Council's functions (including building security and cyber security)
Inability to deliver effective information governance
Inability to respond adequately to a significant emergency affecting the community and/or ability to provide priority services
Inability to respond to impact of climate emergency on severe weather events including heat, cold and flood

Inquiry into Child Sexual Exploitation

In 2018, the Council commissioned an independent inquiry into historic child sexual exploitation (CSE) in Telford. This inquiry was commissioned to look at how the Council; West Mercia Police and the NHS responded to CSE within the Borough. In July 2022, the judge who led the Inquiry published his report which contained 47 recommendations across the Council, West Mercia Police, the NHS and West Mercia Police & Crime Commissioner. More information, including how to report suspected CSE, is available at Child sexual exploitation (CSE) - Telford & Wrekin Council. The judge who led the Inquiry carried out a 2 year review and found that the response to the recommendations was an example that other towns should follow – this review report is available at Two+Year+Review+Report+-+16+July+2024.pdf.

Whilst there has been a very small number of claims (low single figures) brought against the Council for alleged failures on the part of the Council in dealing with CSE, there remains a risk that further claims could be made even though the findings of the Inquiry identified examples of good practice especially since 2016. It should be noted, however, that as a result of the provisions of s.11 of the Limitation Act 1980, there are time limits for bringing such claims and so the risk of further claims remains low. This is due to the fact that the 'claims period' has a limitation period of 3 years from 'the date of knowledge' or from the age of 18, whichever is the later.

The full risk register (link below) assesses the likelihood and impact of each risk together with the controls in place to manage and mitigate these. The risk register is reviewed and updated on a regular basis.

Corporate Risk Register	Budget 2024/25 – Appendix 14 [Agenda item - Medium Term Financial Strategy 2024/25 – 2027/28 - Telford & Wrekin Council] Budget 2025/26 – Full Council 27 February 2025 [Appendix 14 Strategic Risk Register.pdf]

The Council continually seeks and seizes opportunities. The themes described in Section C of the Narrative Report identifies the opportunities being taken to develop services; some of the key opportunities for the future being:

Ongoing investment through the Telford Growth Fund in our Property Investment & Regeneration Portfolio, as part of the "Business Winning, Business Supporting approach" to boost jobs, the economy and generate income
Increasing income through trading and new commercial projects (including continuing to support and develop NuPlace, the Council's wholly owned Housing Company to provide new homes for rent)
Bringing more public services together so that people get what they need at the right time and in the right place
Involving local people and our employees in the planning and running of services
Supporting communities better and encouraging local people and organisations to do more to help their communities
Channel Shift by providing services and information in the most efficient way, encouraging "self-service" and the use of "apps" such as the Everyday Telford App

E. PERFORMANCE

The core elements of the Council's corporate planning framework in place during 2024/25 were:

- **Council Plan 2024/25 to 2026/27** – identifies the organisation's community priorities and strategy to deliver these priorities in a period of unprecedented change for local government (link below);
- **Medium Term Financial Strategy 2025/26 to 2028/29** – focussed on allocating our financial resources to services to deliver organisational and statutory priorities (link below);
- **Workforce Strategy** – sets out our approach to upskilling and supporting the workforce to ensure that they have the skills and knowledge to deliver their objectives. It has 4 themes:
    1. Employer of choice – through effective HR policies to attract employees of the right calibre to the organisation.
    2. Planning for the Future – robust, effective service planning.
    3. Healthy Organisation – supporting the health and mental wellbeing of employees.

4. Workforce of the Future - good, effective workforce planning to cover, for example skills and succession planning.

- **Risk Register** - the Council keeps strategic risks under review through its Risk Register. These risks are used to inform the allocation of resources through the Service & Financial Strategy (link below).
- **Performance Framework** – the corporate performance framework is composed of a basket of measures to enable the organisation to understand progress in the delivery of our community priorities.
- **Service Strategies** – each Director-led area produces an annual service strategy which identifies their objectives against our community priorities. These plans also consider risks to delivery and identify actions to ensure that the workforce has the necessary skills and knowledge to deliver these objectives. These workforce plans feed into the corporate Learning & Development plan.

Our strategic planning framework is embedded in the organisation and creates a golden thread from the Council Plan priorities through to employees. Our latest Employee Survey found that 92% understood how their role contributes to the Council's priorities.

Council Plan / Programme	Introduction - Council Plan and priorities - Telford & Wrekin Council
Medium Term Financial Strategy	Budget 2024/25 – Full Council 29 February 2024 Agenda item - Medium Term Financial Strategy 2024/25 – 2027/28 - Telford & Wrekin Council
Corporate Risk Register	Budget 2024/25 – Appendix 14 Agenda item - Medium Term Financial Strategy 2024/25 – 2027/28 - Telford & Wrekin Council

1. Revenue Outturn for 2024/25

A summary of the year end service variances reported to Cabinet is shown in the table below:

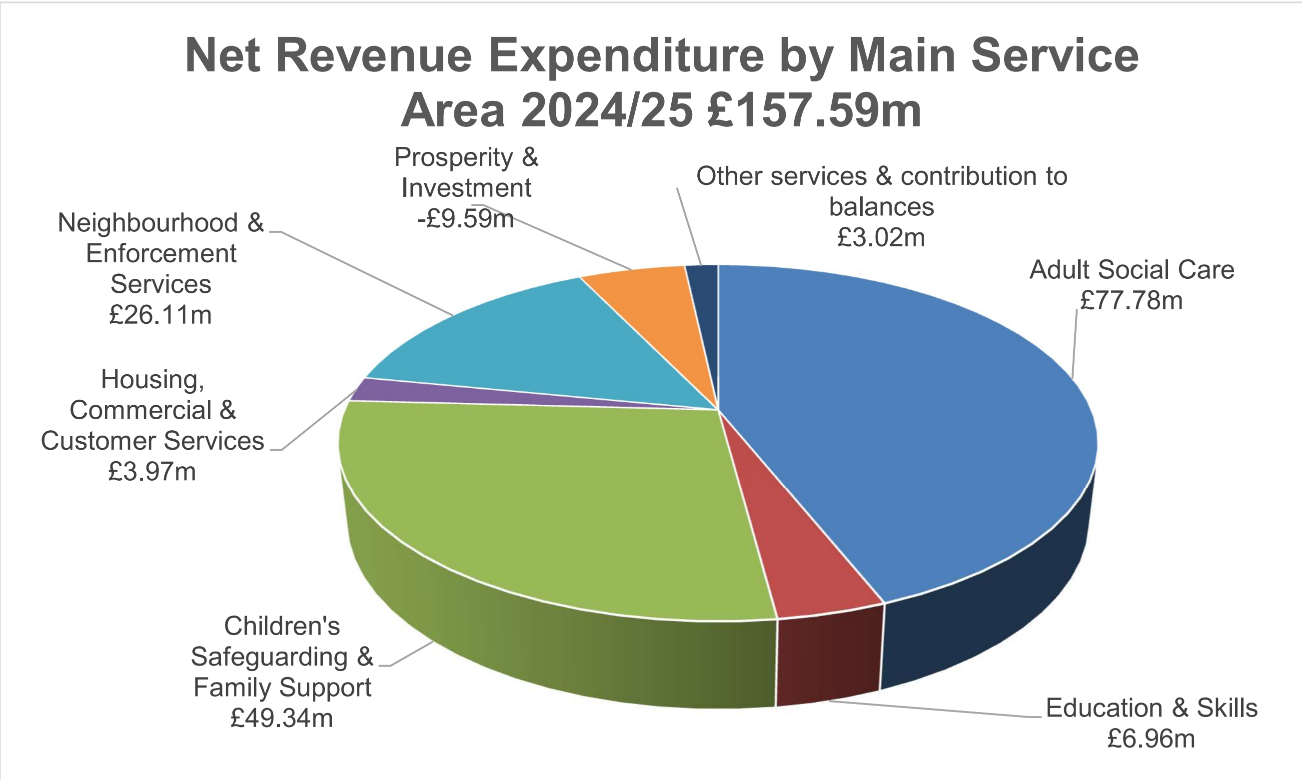
	Final Budget £	Outturn £	Variation £
Finance, People & IDT	16,805,026	12,354,647	(4,450,379)
Policy & Governance	1,411,243	1,389,620	(21,623)
Adult Social Care	68,943,436	77,786,862	8,843,426
Housing, Commercial & Customer Services	5,126,206	3,966,839	(1,159,367)
Children's Safeguarding & Family Support	49,577,503	49,335,384	(242,119)
Education & Skills	12,838,151	6,957,875	(5,880,276)
Health & Wellbeing	393,414	403,451	10,037
Neighbourhood & Enforcement Services	33,306,642	26,112,116	(7,194,526)
Prosperity & Investment	(6,587,931)	(9,592,592)	(3,004,661)

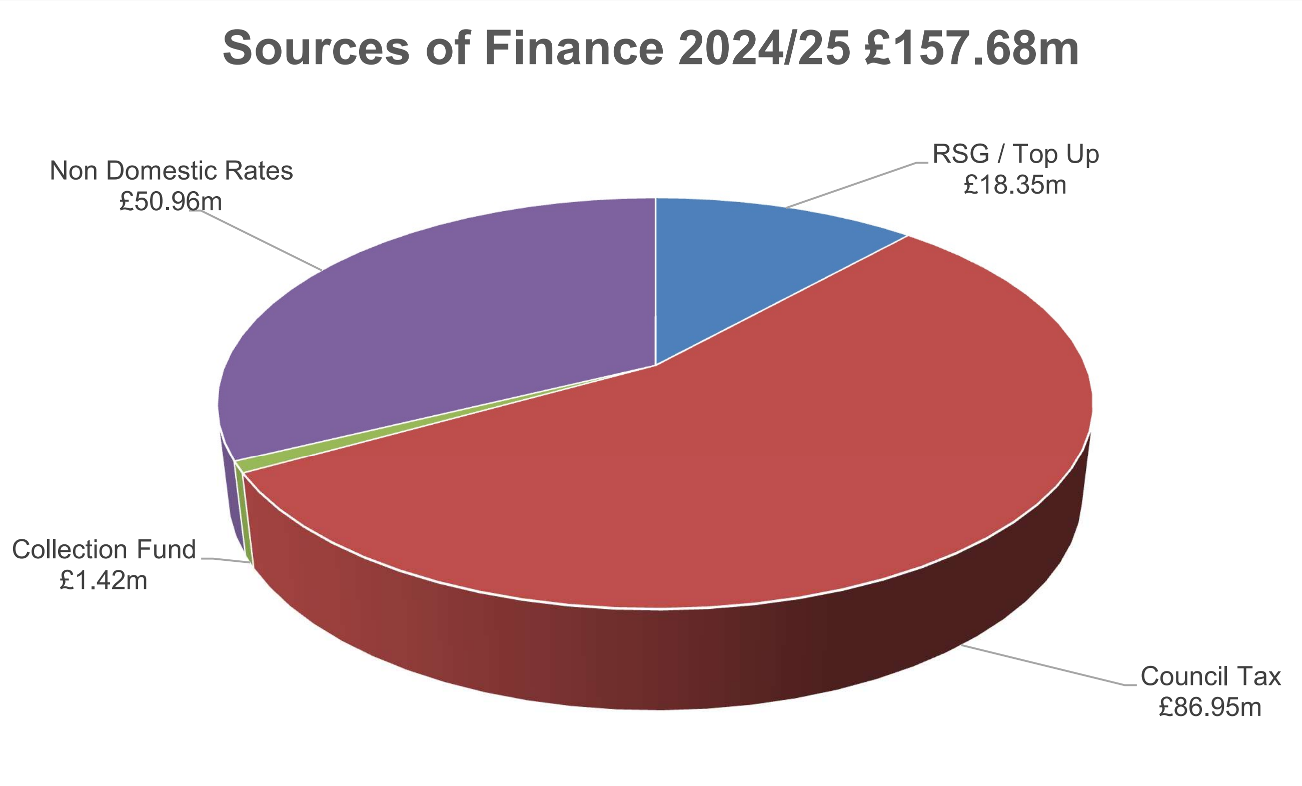
	Final Budget £	Outturn £	Variation £
Council Wide Items	(24,517,850)	(11,127,897)	13,389,953
	157,295,840	**157,586,305**	**290,465**
Funding	**(157,295,840)**	**(157,677,761)**	**(381,921)**
Total	**0**	**(91,456)**	**(91,456)**

Budget, Outturn and Variances in the above table exclude International Accounting Standard (IAS) 19 Pension entries and asset charges which are technical entries required in the formal statement of accounts but do not impact on the Council's General Fund Balances.

The outturn position has resulted in a general fund balance of £4.117m and a special fund balance of £0.327m, giving an overall balance of £4.444m. The total for all useable reserve balances held by the Authority at 31 March 2025 is £108.985m, although almost all of this is held to meet known or likely commitments.

The following two charts show Net Revenue Spend by Service for 2024/25 and how it is funded, the figures are net of specific income i.e. service grants and sales fees and charges.





The Outturn position can be reconciled with the formal Comprehensive Income and Expenditure Statement as follows -

Description	**Expenditure £000**	**Income £000**	**Net Expenditure £000**
Total Service Outturn (see page 12/13)	**543,755**	**386,169**	**157,586**
Trading Services / Industrial Units	(175)	(3,230)	3,055
Pensions Adjustments under IAS 19	(2,346)	0	(2,346)
Interest Payable and Similar Charges	(17,274)	0	(17,274)
Interest and Investment Income	(280)	0	(280)
Gains and Losses on Repurchase or Early Settlement of Borrowings (net)	0	(3,490)	3,490
Sources of funding unapplied	0	(35)	35
Depreciation & Impairments, REFCUS etc. from Net Operating Cost	91,841	0	91,841
Accumulated Absences	440	0	440
Minimum Revenue Provision	(5,207)	0	(5,207)
Net Movement on Reserves	17,797	0	17,797
Net Cost of Services (see Comprehensive Income and Expenditure Statement on page 63)	**628,551**	**379,414**	**249,137**

2. Service Issues Highlighted During 2024/25

A summary of the key issues, highlighting variances over £250,000 during the year is shown below:
(A "+" is an increase in expenditure or a reduction in income, a "( )" is a reduction in expenditure or an increase in income)

Service Area	Variance £m
Finance, People & IDT	
Treasury – impact of capital spend re-profiling and positive cash flow positions during the year. This benefit is offsetting the income pressure in the Property Investment Portfolio and Housing shown below.	(1.084)
Adult Social Care	
Longer Term Care Purchasing – expenditure relating to block and spot contracts. Additional investment has been required due to the continued increase in the costs of care and demand for care. The service continues to work on delivering care which maximises prevention and independence where possible.	+7.035
Income – overall shortfall on income targets.	+1.066
My Options – **Adults & Children's Services** – pressure on staffing budgets to meet demand.	+0.538
Autism, Learning Disability & Mental Health Purchasing Care – in house purchasing; pressure from increased demand.	+0.497
Prevention & Enablement - intermediate care.	+0.264
Older People & Disability – mainly due to staffing vacancies due to recruitment challenges.	(0.415)
Housing, Commercial & Customer Services	
Strategic Housing, Income – income shortfall which will be delivered when Housing Schemes become operational (Red Lion development due 2025/26). Note, borrowing costs are also reduced which is reflected in the Treasury benefit reported under Finance.	+0.290
Homelessness & Prevention – maximisation of grant income.	(0.352)
Housing Benefit Subsidy – planned use of reserves.	(0.295)
Children's Safeguarding & Family Support	
Children in Care, Leaving Care Team & Speciality Services, Family Solutions:	

Service Area	Variance £m
CIC placements, Post 16 Staying Put & Leaving Care Support – lower than budgeted due to ongoing work on prevention, early intervention and review of placement costs; together with the new provision for supported accommodation at Octavia Court.	(0.271)
Health Funding – anticipated health contributions in relation to health needs are lower than budgeted, impacted by reduced overall placement costs.	+0.481
Operational Expenditure – costs associated with placement costs fully funded from government grant, together with pressure arising from aids and adaptations.	+1.171
Income – additional grant income received.	-1.777
Prosperity & Investment	
Operational Buildings – property improvements at Lakewood Court.	+0.260
Operational Buildings – lower NNDR charge at Oakengates Leisure Centre due to closure for part of the year.	(0.271)
Property Investment Portfolio - capital investment re-phased into future years with corresponding impact on budgeted income. Note, this is offset by a reduction in borrowing costs which is reflected in the Treasury benefit reported under Finance.	+0.392
Planning – downturn in planning fees during 2024/25.	+0.451
Council Wide	
Budgeted Contingency.	(5.909)
Other Council Wide Items – including lower than budgeted contract and pay inflation, NDR levy account surplus redistributed and WME dividend and rebate.	(3.649)
Transfers to Reserves	+2.866

3. International Accounting Standard Note 12 – Retirement Benefits

The objectives of IAS 19 are to ensure that:

- financial statements reflect at fair value, the assets and liabilities arising from an employer's retirement benefit obligations and any related funding,
- the operating costs of providing retirement benefits to employees are recognised in the accounting periods in which the benefits are earned by the employees, and the related finance costs and any other changes in the value of the assets and liabilities are recognised in the accounting periods in which they arise, and
- the financial statements contain adequate disclosure of the cost of providing retirement benefits and the related gains, losses, assets and liabilities.

The Council's position in the Local Government Pension Scheme has improved by £114.4m over 2024/25, from a deficit of £17.4m to a surplus of £97.0m. However, accounting requirements limit the value of any surplus that can be recognised in the accounts to the lower of the surplus in the defined benefit plan and the asset ceiling (defined in the Code). Following this, a deficit of £14.4m must be recognised in the Statement of Accounts. Further details can be found in Note 12.

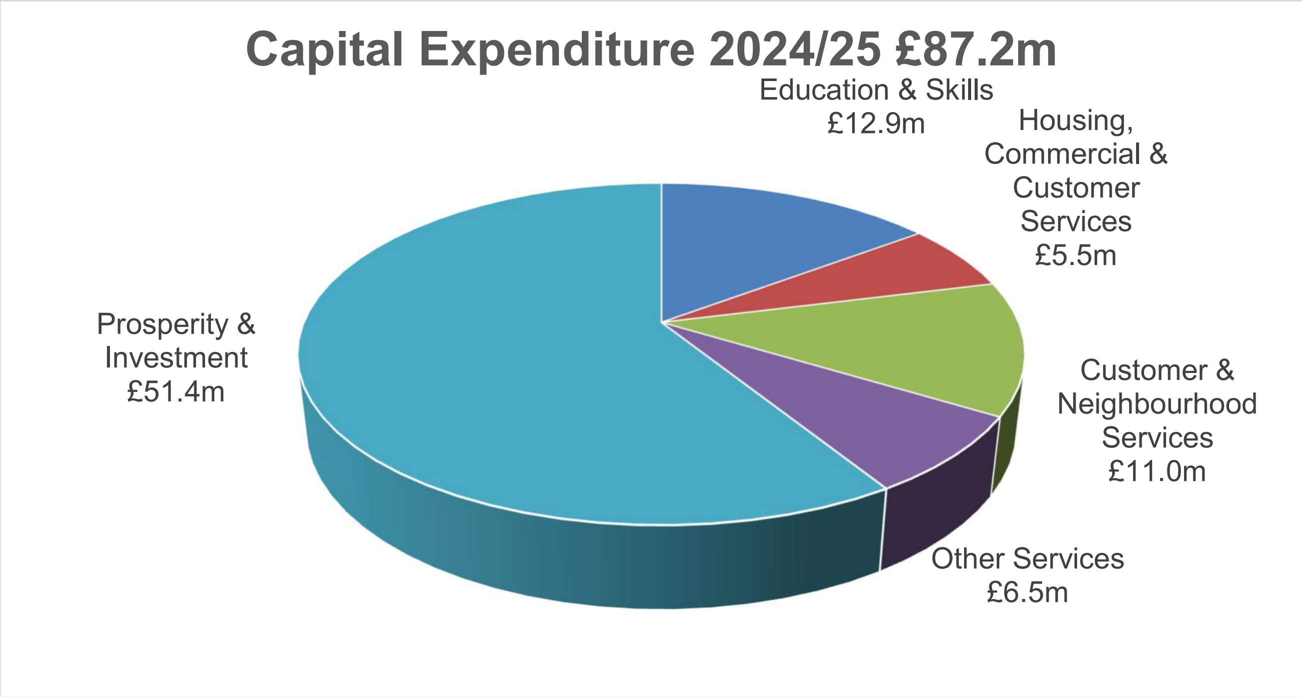
The estimated contributions expected to be paid into the Local Government Pension Scheme next year are £18.895m (comprising contributions of £17.9m plus a lump sum payment of £0.995m). Following the valuation at 31st March 2023 the contribution rate was increased to 17.2% for 2023/24 (and the subsequent 2 years), this is supplemented with a lump sum payment as stated above.

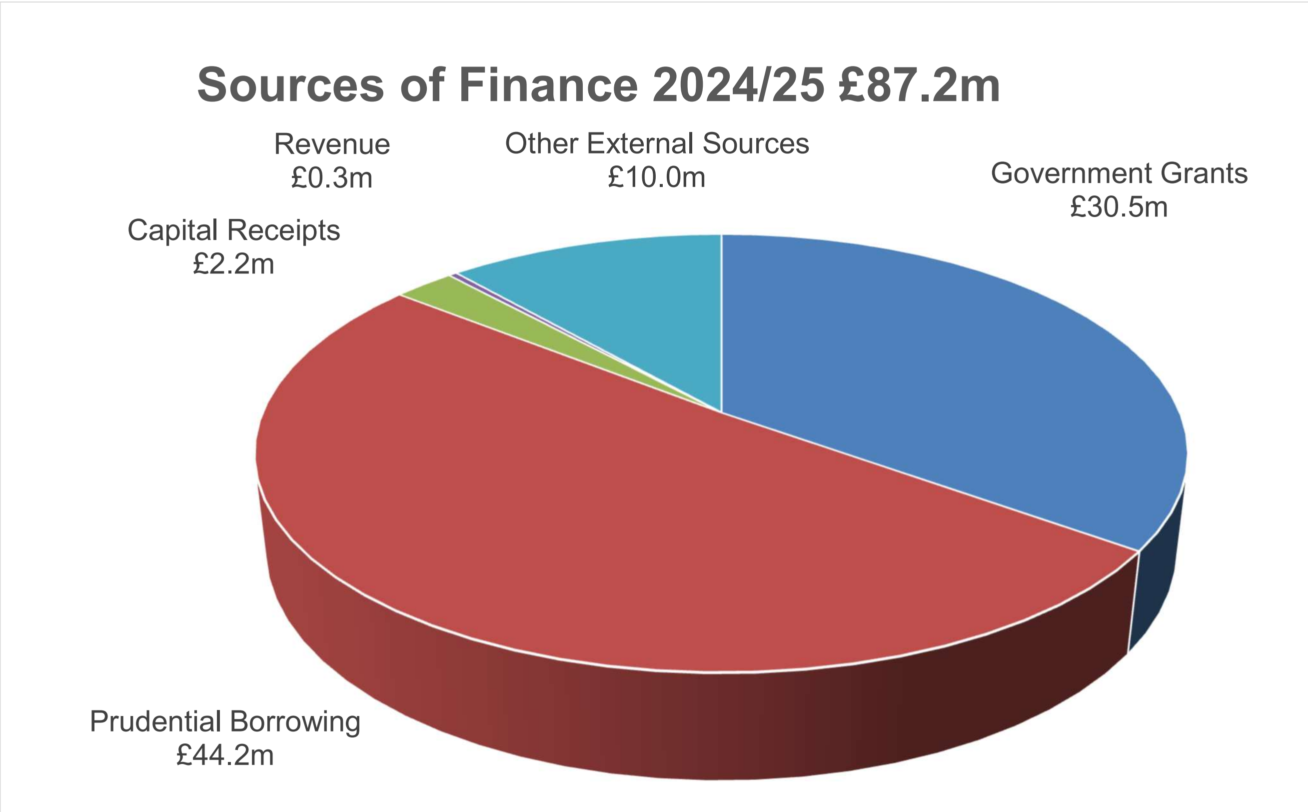
4. Capital Outturn 2024/25

The Council spent £87.173m on capital projects during the year. Some re-phasing of expenditure into 2024/25 will take place including as a result of extensions and re-profiling of grant funded programmes. All schemes which have been rephrased are already in progress. The detail is shown in the table below:

Policy Area	**2024/25 Approved Budget £m**	**2024/25 Expenditure £m**
Adult Social Care	0.027	0.031
Corporate Communications	0.000	0.002
Education & Skills	15.527	12.924
Finance, People & IDT	6.931	6.284
Housing, Customer & Commercial Services	6.470	5.521
Neighbourhood & Enforcement Services	12.860	10.975
Policy & Governance	0.087	0.059
Prosperity & Investment	51.249	51.377
Total	**93.151**	**87.173**
Funded by:		
Government Grants	39.252	30.462
Prudential Borrowing	41.856	44.255
Capital Receipts	4.613	2.178
Revenue	0.343	0.258
Other External Sources	7.087	10.020
Total	**93.151**	**87.173**

The following two charts show Capital Spend by Service for 2024/25 and how it is funded.





The Council has ready access to borrowings from both the Money Markets and Public Works Loans Board (PWLB), which lends to Local Authorities at very competitive rates.

Overall, the Council's net indebtedness is £385.5m (inclusive of equity investments) at 31 March 2025 which is an increase of £54.2m from the previous year due to an increase in borrowing in line with the approved Capital Programme (see Note 22) and a reduction in internal borrowing, offset by a small increase in investments held arising from favourable cashflows in March (see Note 24).

The Council has a 28-year (from 2006/7) PFI contract in place for the building and servicing of school and leisure facilities at Hadley Learning Community and Queensway (which provides Education, Health and Social Care packages) for £289m. The costs of the contract are being met from a combination of Government support, school contributions and Council support. The Council has approved a budget strategy which makes provision for its commitments. In 2024/25 the Authority made payments of £12,431,116 (£11,918,711 in 2023/24) in respect of this PFI contract with Interserve Limited. The Authority is committed to making payments estimated at £9,071,500 per annum (index linked, starting point September 2006) until the contract expiry date of 2034 and receives £5.9m per annum from the Government to help offset this cost.

The Council entered into a 10-year Telford Land Deal with Homes England (HE) and Ministry of Housing, Communities and Local Government (MHCLG) in March 2016 through which HE/MHCLG committed to invest £44.5m from the sale of Government owned land in Telford to invest in the local area supporting the delivery of new homes, jobs and commercial floor space. The total capital expenditure for 2024/25 includes expenditure relating to this deal.

5. Provisions (see Note 26)

Restructure Provision – the accounts include a provision to meet committed severance costs which relate to ongoing restructuring programme which is part of the Council's strategy for delivering savings. The amount in the provision on 31st March 2025 was £0.064m. It is anticipated that an element of this will be funded from Capital Receipts in 2025/26.

NDR Appeals – under the arrangements for the retention of business rates, authorities are required to make a provision for refunding ratepayers who successfully appeal against the rateable value of their property on the rating list. Based on information relating to outstanding appeals provided by the Valuation Office, £4.332m is estimated as the amount required to set aside for this purpose in the 2024/25 accounts (£4.301m in 2023/24). Telford & Wrekin Council's proportion of this is £2.123m (49%) (£2.107m in 2023/24).

6. Achievements & Measures of Success During 2024/25

Through 2024/25 Telford & Wrekin Council continued to drive the efficiency and effectiveness of its services:

People

Children and Adults

In 2024 we became the only council in the country to have received consecutive 'outstanding' judgements in OFSTED inspections for children's social care services and who currently hold both an 'outstanding' judgement in OFSTED and the top outcome for SEND services. We are currently one in four LAs in the country who currently hold both 'outstanding' and the top outcome in a SEND inspection.

OFSTED lead inspector, Rebecca Quested, commented: *"Children and families in Telford and Wrekin continue to experience exceptional social work practice when they are in care and as care leavers."*

Participation and co-production, through having children and families involved in the development of services, was also highlighted as a real strength of the service and the report went on to praise senior leaders for implementing ambitious plans which prioritise the needs of children and young people.

The Council has reduced the number of referrals for safeguarding and statutory services by over 30% through the introduction of family hubs in six locations that take a preventative approach via a wide range of community-based support.

A key objective for the Council is for every child to be in a good or outstanding school and making at least good progress with 91% of primaries, 62% of secondaries and 83% Special/PRU being judged as good or outstanding by OFSTED. Whist overall a positive picture, there are a small number of secondary schools which need to improve to achieve this level. Generally, the attainment of pupils at each of the Key Stages is at least in line with national averages and well above this across a number of individual indicators.

The Government has set targets which have been adopted by the Council to work with families who need additional support through the "Supporting Families" programme. In 2024/25 we worked with 375 families.

The three-year inquiry into Telford CSE, concluded this year, praised the council for its *"brave and revolutionary"* decision to work closely with three survivors who acted as independent lived experience consultees. It commended the council's approach as *"an admirable model from which others can learn"* and recognises we've taken *"bold action"* to safeguard children.

The council is clear that this is not the end of the journey and the work to tackle CSE within the borough will continue.

This commitment is also commended by Mr Crowther's report, which states "the organisations that comprise the key stakeholders, and above all the Council, have demonstrated dedication to implementing the Recommendations in a way that will lead to an enduring change of approach."

Strengthening Communities Adult Social Care (ASC) - we work on behalf of local people in an integrated way with partners both in the National Health Service (NHS) and across our vibrant community and voluntary sector which the Council have continued to invest in over many years.

Adult social care was judged by the Care Quality Commission to be 'good' this year – placing us among top performers for our innovative approaches to delivering adult social care which is helping improve waiting lists. The introduction of a Hybrid Team in Telford and Wrekin has significantly reduced waiting times by 55%. Residents receive more timely Care Act, carer, and Occupational Therapy (OT) assessments. This approach not only streamlines services, offering personalized support for independent living, but also prevents issues from escalating, saving £1.7 million in 12 months.

The 'Good' rating places Telford & Wrekin Council amongst the top achieving local authorities in the country inspected so far as part of the new rigorous evaluation of the social care services local authorities are providing.

The CQC report highlighted several key strengths within the Adult Social Care service, including the innovative approach to co-production, engagement, and inclusion, which places community participation at the heart of strategy and service development. The assessment also found that staff efforts have led to improved outcomes in independent living and supported living, showcasing the dedication to empowering individuals to lead fulfilling lives.

The number of people in residential or nursing care remain consistently below the national average.

The Council was also praised for showing 'strong partnership working' and 'strong leadership and a culture of transparency and learning'. Inspectors highlighted our innovative approach to co-production, engagement and inclusion, which has led to improved outcomes in independent living and supported living. We were praised for *"strong partnership working"* and *"strong leadership and a culture of transparency and learning"*.

In 2024, 66.5% of people report being satisfied with their care and support, above the national average (65.4%) and the highest rate reported since 2016.

Our in-house ASC Shared Lives service has been rated as **'Outstanding'** by the CQC and is an example of how we have used our resources creatively to avoid higher cost service provision by providing post hospital discharge reablement via Shared Lives.

Our investment into the 'Virtual House' and the 'Independent Living Centre' in 2021 has continued to support people wishing to live independently in their own homes.

Place and Environment

Telford & Wrekin Council continues to invest in the Pride in Our High Street programme as part of its ongoing commitment to work with local people and tackle the problems facing high streets. To date, ongoing investment in Programme has resulted in -

- 388 new jobs created
- 65 new business openings in empty units
- 367 business grants awarded
- Empty properties reduced from 9% to 3.8% on average, the national rate is 14%
- 534 social media postings reaching over 2.5m active users supporting our high streets
- Awarded over 100 High Street Hero Awards voted for by the Public
- Over 100 façade improvements
- Funding for town and parish councils to run their own high street events to enhance local high street footfall

In addition to providing grants to support local businesses we are committed to our place agenda through leveraging and investing £70m through the Towns Bid funding, to further develop local centres in the borough, transforming shop units and frontages and the building of a new theatre. The plans for the Theatre Quarter project include -

- The creation of ten new first floor sustainable residential units (mix of one and two bed) providing new homes in the centre of Oakengates, delivered for Telford & Wrekin Council's wholly owned housing company, Nuplace,

- Removal of the existing shop canopy to open up the area, improve natural light to the retail units and create a lighter more welcoming pedestrianised area directly outside the shops, and
- Development of a new enlarged public space to facilitate the hosting of events and activities including an enhanced market.

Working with our partners and sharing our business intelligence has helped inform a programme of work called 'Safer & Stronger Communities'. Its primary focus is on tackling the root causes of crime particularly focussing on 12 localities where the data shows our investment will have the most impact. The Council actively engages and listens to our communities through our Residents' Survey, our Community Panel and tailored engagement programmes such as our recent Safer, Stronger community workshops. These particular workshops have resulted in -

- Free Friday night football with hundreds of young people now regularly taking part,
- Self-defence classes for women and girls,
- Substantial investment into our CCTV coverage,
- New Veteran Calm Cafes to help with mental health support,
- Sequence dancing sessions, and
- Boxing classes.

As a result of this programme there have been reductions in the recorded crime rate by over 10% and reductions in ASB reported to both the Police by over 20% and the Council by over 30%. In addition, we have also -

- addressed 597 requests for service from tenants living in poor housing conditions, a 30% increase from previous years,
- carried out 412 private rented property inspections identifying 480 hazards,
- overall number of proactive safer streets inspections to c.600,
- served 156 enforcement notices, including Improvement and Abatement Notices for hazards in private rented properties,
- issued 44 HMO licences following full inspections and audits of these properties and management standards, and
- brought 232 long term empty properties back into use since the adoption of our long-term empty property strategy 2021-2026.

Climate Emergency - in the summer of 2019, Telford & Wrekin Council declared a climate emergency and resolved to be carbon neutral by 2030. The Council has already done much to reduce its carbon emissions from our operations by 61% from 2018/19 baseline from initiatives such as -

- A council-owned solar farm generating enough electricity to power more than 800 homes a year,
- Decarbonisation projects include upgrading three leisure centres and an ice rink, and
- We've invested £1.17m in environmental improvements, planting 11,664 trees, creating 32 new wildflower areas, enhancing seven Green Flag parks and declaring 20 local nature reserves and 305 green guarantee sites. The borough provides more

than two and half times the Natural England standard for hectares of accessible green space per 1,000 population.

As a result of our commitment to the environment, Telford Town Park was named England's cleanest park based on public feedback published in October 2024 – testament to how our rangers work effectively with local volunteers.

The council provides a range of household waste collections and undertakes around 12 million collections each year while continuing to offer a free garden waste collection service which along with our household recycling centres generated over 17,000 tonnes in the last year.

The authority works in partnership with Veolia to recycle and compost over 42,000 tonnes of waste over the last year. In 2022/2023 our published household recycling rate was 48.2% which is well above the England average.

The Veolia waste team engaged with around 3,500 residents and school children last year to educate on how to reduce waste and recycle.

The council's bulk waste collection service has been subsidised to support our elderly residents and those with a disability to be able to easily dispose of their larger waste. In the last 12 months, over 11,000 residents have used the bulk collection service.

From April 2024, Veolia have worked with us on a re-use scheme with a monthly pop-up shop and this has enabled good quality items to be reused. The council has saved a total of 50 tonnes which otherwise would have been disposed of at cost. The re-use scheme is run closely with our charity partner, the British Red Cross.

We have been focussing on tackling fly tips, and our Enforcement team have been engaging in hot spot locations. Community action days have been delivered working with partner organisations, elected members and council officers to deal with local issues.

Economy

Telford & Wrekin's population grew by 13.5% in the ten years to 2023. This was the fastest population growth in the West Midlands and the 9th largest growth in England. We work really **hard to accommodate this rising population by ensuring housing supply keeps up with demand.** We are consistently ranked in the Centre for Cities' top three local authorities for housing growth.

The Council is investing to create the opportunities to support new businesses, including the delivery of new startup/incubation space via land acquired at Hortonwood West where the Council is investing profit share earnt through the success of Telford Land Deal. This is alongside investment into site preparation and power upgrades to support investors acquiring suitable land quickly.

All of this is shaped and driven by an approach to inclusive growth which, through initiatives such as Job Box, a Council funded support service for the unemployed with unemployment in the remaining below the regional and national rates at 3.9%. (5.5% and 4.2% at December 2024).

Fibre broadband infrastructure is key to the economic growth of the borough and underpins the benefits that digital connectivity brings. 98% coverage has been achieved, and the authority is committed to getting quality broadband to as many as possible in a journey to

100%. Other existing initiatives beyond the build programme are in place and new opportunities are being explored over the coming months.

Supporting this work is the ***Telford Land Deal*** - to drive disposal of Homes England assets in the borough, the Council secured stewardship of these assets generating capital receipts for Homes England and the Treasury whilst bringing development sites to the market and so attracting inward investors and retaining existing businesses that would otherwise have sought larger premises outside the borough. To date the land deal as delivered:

- 200,000sqm of Employment Floor Space,
- 1,583 new homes,
- £60m of accelerated public land receipts,
- 2,473 new jobs, and
- Enabled expansion of local companies and attracted almost half a billion of inward and foreign investment

Organisation

By the end of 2024/25, the Council had delivered budget savings of £181.7m. Despite the financial challenges the Council continues to face, our budget strategy has been to sustain essential public services. We have worked hard to develop new models of service delivery to ensure continued delivery of our priorities with a key part of our strategy to become a commercial council and to generate income to invest and protect front-line services. Effective budget management has allowed us to deliver on our priorities.

The Council actively seeks external challenge to drive our continuous improvement agenda. In June 2021, a Local Government Association Corporate Peer Review was completed into the Council. The team concluded that:

> *"the Council should be very proud of what it is achieving, it is very ambitious, top performing in key areas and striving constantly to deliver for local people. The authority has strong and effective political and managerial leadership and that officers and members had worked phenomenally hard to get the organisation to where it is."*

They also said:

> *"The authority is held in extremely high regard as a partner, founded upon credibility and a convincing track record of delivery, and it is very highly trusted"*

Our financial position is built on a track record of taking on new ventures to improve outcomes for our residents whilst also delivering income to the Council and protecting frontline services:

- A solar farm providing £4.4m profit over 25 years.
- The Council's wholly owned housing company, NuPlace, now has more than 600 homes available for private rent across 12 sites. Demand for these properties is high and are oversubscribed. In a recent survey of NuPlace tenants - 96% said they would recommend NuPlace to their family and friends. The rate of empty properties runs at less than 1.5%

- Established a Growth Fund to invest in development of premises for businesses to encourage job creation and retention whilst generating additional rental income and business rates income.

"Securing external funding" – we are a non-constituent member of the **West Midlands Combined Authority** and are actively working through this to maximise future opportunities for the borough to build on the £3.7m grant already secured from the WMCA. This grant is to kick-start building new homes on stalled brownfield sites in the borough and will see around 540 new homes built as well as bringing 'derelict' brownfield land back into use and creating 240 jobs. Work on these sites had stalled because of high costs to developers to get the land ready for building. Our work on stalled sites includes the provision of much-needed extra care and supported living sites to help our mature residents to remain living independently for longer.

- The council has successfully obtained over £52m funding through successful bids for **Levelling Up** funding and **Towns Fund** funding available from government which has allowed it to progress its plans for construction of "Station Quarter" –This will see the creation of a 'digital hub' intended to support with enhancing skills and, in turn, increasing wages in the Borough. This government funding will also support the redevelopment of our cultural offer, enabling works to take place on the Council's theatre in Oakengates which will also help to cement the redevelopment plans for Oakengates town centre.

The Quad opened in 2024 and provides:

- Courses for up to 200 learners aged 16 to 18 at The Quad, providing new learning opportunities for them, as well as running a range of evening courses for adults.
- Evening courses for adults
- A range of degrees including applied data science and robotics
- 7,500 sq ft business incubator space on the third floor
- Phase 1 includes residential development with 189 modern and affordable homes

Notably Station Quarter was nominated for Regeneration & Sustainability Project of the Year' at the Insider West Midlands Property Awards 2024

F. STRATEGIC OUTLOOK

The Medium-Term Financial Strategy was updated for 2025/26 formally by reports to the Council's Cabinet in January and February 2025 with final decisions taken at Full Council on 27 February 2025.

Savings proposals are developed as soon as they arise and consultation and engagement with our community and partners takes place throughout the year in a more meaningful and timely way to deliver more creative solutions. From the ongoing engagement with local people over many years, we know that the people of Telford & Wrekin want to live: - in a safe community; in a clean environment; in a place with good roads and pavements; where there are first class schools and education facilities; where there are excellent and an accessible hospital and GP services; where they have a job and there is a thriving economy. These local priorities form a basis for resource allocation as part of the Medium-Term Financial Planning process.

The decisions on the medium-term budget strategy at Full Council reflect the outcome of consultation following presentation of the budget proposals at Cabinet on the 6 January 2025.

The provisional funding settlement for 2025/26 was announced, on the 18 December 2024, followed by the final settlement on the 3 February 2025. This saw Revenue Support Grant increasing by 1.7% (CPI inflation). As anticipated the Council faced a budget shortfall and after delivering £181.7m of savings since 2009/10 further savings of £13.1m are required in 2025/26.

The agreed strategy for 2025/26 to meet the savings requirement and to continue to invest in the area to support both the community and businesses is:

- An additional savings package delivering an additional £13.1m from general fund budgets,
- £7.7m additional net investment into Adult Social Care,
- A commitment to work with partner organisations to seek new solutions to deliver services to minimise the impact of cuts, and
- To continue to deliver jobs and investments and provide additional income business rates, council tax and New Homes Bonus.

The decision was made to increase council tax by 4.99% for 2025/26, of which 2.0% relates to the Adult Social Care precept introduced by the Government in 2016/17. As a result, the Council Tax for Council Services in 2024/25 (Band B) was £1,255 per year (Band B is the typical band for Telford & Wrekin, Band D is £1,614). The Council had the lowest Council Tax out of all Councils areas in the Midlands region for the services which we provide.

2025/26 Net Revenue Budget - £m	
2025/26 Total Net Revenue Spend	**167.640**
Funded From:	
Government Grant (incl. RSG and Top Up)	**18.669**
Retained Business Rates (incl. S31 grant)	**52.463**
Council Tax	**93.859**
Collection Fund Deficit	**2.649**
Total Funding	**167.640**

Full Council approved the Medium-Term Financial Strategy on the 27 February 2025 (available on the Council's web site).

G. ECONOMIC CONDITIONS

Nationally, Councils continue to face extreme challenges with unprecedented pressures fuelled by high inflation and high demand for services – particularly Adult Social Care, Children's Safeguarding and School Travel.

While inflation is expected to reduce in the medium term, current indicators show that the economy will be slower to recover than was expected when the Council's 2024/25 budget was set. The Bank of England base rate was 5.25% in April 2024 and ended the year at 4.50% in March 2025. In April 2024 CPI inflation stood at 2.3% compared to 2.6% in March 2025 which is above the Bank of England's 2% target. Inflationary pressures impact of the cost of delivering services, which has been evident during 2024/25.

Despite the significant pressures faced during 2024/25 the Council ended the year within budget which is a clear demonstration of the exceptionally strong financial management and financial resilience which is embedded in the authority.

In addition to the General and Special Fund Balances, the Council has a general contingency of £7.2m in 2025/26 (£3.2m of which is ongoing) and £5.9m held centrally for inflation and pay awards in 2025/26. Further, there is a prudent level of reserves and provisions available to support the Medium-Term Financial Strategy including the uncommitted balance of £21.7m held in the Budget Strategy Reserve.

Ongoing pressures will be identified through regular financial monitoring reports presented to the Council's Senior Management Team and Cabinet throughout the year and mitigating actions will be taken to manage the delivery of services within resources available in 2025/26.

The Council continues to provide Cost of Living support with advice and guidance accessible via the web site: Cost of living - Telford & Wrekin Council.

H. LOOKING AHEAD

The Council ended 2024/25 in a positive position, despite the significant financial pressures experienced during the year. This is a solid basis upon which to move into 2025/26 and demonstrates ongoing financial resilience.

The funding outlook for the medium term remains very uncertain but will clearly continue to be challenging, particularly in light of the current inflationary and demand pressures.

Despite 2024/25 being a challenging year, the Council has retained a prudent level of balances which will support the delivery of the medium-term Financial Strategy and support financial resilience in future years, as we will continue to feel the impacts of inflationary pressures in the economy, including cost of living pressures, interest rates and at the same time also face the uncertainties of potential changes to the local government funding system and increasing demand for services.

It is clear that the financial climate ahead will still be one of significant financial challenge.

I. BASIS OF PREPARATION

The Council prepares its Statement of Accounts on a going concern basis, under the assumption that it will continue to operate into the foreseeable future. Disclosures are included in the Statement of Accounts based on an assessment of their materiality. Local Authorities can only be discontinued under statute.

Group Accounts – The Council's wholly owned Housing Investment Company, NuPlace Ltd, was incorporated on 1 April 2015. These accounts consolidate the Council and NuPlace's financial statements for both 2023/24 and 2024/25. The accounts for 2024/25 include an increased number of transactions as NuPlace's trading continues to grow.

The Council has examined the relationship with other partners including West Mercia Energy (see Note 55 to the accounts) and has concluded that group accounts only need to be prepared in respect of NuPlace.

J. STATEMENT OF ACCOUNTS – EXPLANATORY OVERVIEW

The Statement of Accounts features the Expenditure and Funding Analysis, which does not form part of the Primary Statements and is included as a Note, and four Primary Statements reporting on the Council's core activities plus Group Accounts.

The Primary Statements include:

- the Comprehensive Income and Expenditure Statement,
- the Movement in Reserves Statement,
- the Balance Sheet, and
- the Cash Flow Statement.

The purpose of each is briefly described within this narrative report and they are followed by notes explaining the statements and any specific restatements required.

The main statements are supplemented by the Collection Fund Account, which receives all council tax and business rates income before passing this income to the Council, the Government, Shropshire Combined Fire Authority and the West Mercia Police & Crime Commissioner as appropriate.

The Council's accounts for the year 2024/25 are set out in the remainder of the report. They consist of:

... **The Expenditure and Funding Analysis (EFA)** – this is not one of the Primary Statements but is given prominence within the statement of accounts as the EFA shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the local authority in comparison with those resources consumed or earned by the authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. The EFA shows an adjustment of £57.249m to move from an underspend of £0.091m, as detailed in the 2024/25 Financial Outturn Report, to a deficit of £57.158m in the Comprehensive Income and Expenditure Statement. This adjustment reflects technical accounting requirements and does not alter the underlying position of £0.091m underspend reported.

... **The Comprehensive Income and Expenditure Account** - covering revenue income and expenditure during the year on all Council services. This statement reports on how the Authority performed financially during the year and whether its operations resulted in a surplus or deficit. This shows a deficit on the provision of services for the year of £57.158m (after technical accounting adjustments referred to above) compared with the outturn report which shows an underspend of £0.091m. The reasons for this difference relate to technical transactions required to put the accounts on an IFRS basis, including capital grants offset by losses on disposal of fixed assets, depreciation, Revenue Expenditure Financed from Capital Under Statute (REFCUS), impairments and pensions. **These technical accounting adjustments do not impact on either General Fund Balances or Council Tax.**

... **The Movement in Reserves Statement** - which brings together recognised movements in and out of Reserves including the General Fund Balance (which stands at £4.444m at 31st March 2025). This statement represents the Authority's net worth and shows its spending power. Reserves are analysed into two categories: useable and unusable.

... **The Balance Sheet** - this is a "snapshot" of the Authority's financial position which sets out the financial position of the Council on 31st March 2025 and shows net assets reducing by £45.347m to £376.889m at the end of the year.

... **The Cash Flow Statement** - summarises the inflows and outflows of cash arising from both revenue and capital transactions with third parties, analysing them into operating, investing and financing activities, and shows a net increase in Cash and Cash Equivalents of £4.184m.

... **The Notes to the Core Financial Statements** - provide further information supporting the financial statements including the Statement of Accounting Policies and provide further detailed information on specific items.

... **The Collection Fund** – is the statutory account in which income from business rates and council tax is held temporarily, pending payment to the precepting authorities. There was an increase on the council tax fund balance of £0.808m for the year and the Council's share of the surplus was £2.945m at 31st March 2025. The localisation of business rates means that we also show similar information in respect of this. The business rates show a reduction in the deficit balance on the account for the year of £2.906m, and the Council's share of the deficit was £0.203m at 31st March 2025.

... **Group Accounts** - consolidates the Council's accounts with those of NuPlace Ltd, the Council's wholly owned Housing Investment Company, to give an overall picture of the Council's activities.

These accounts are supported by the Statement of Responsibilities, which follows this narrative report.

K. FURTHER INFORMATION

Further information is contained in the Council's Medium Term Financial Strategy, which is available from the Corporate and Capital Finance Team, Darby House, Telford, (contact Ed Rushton on 01952 383750).

In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press and on the Council's website.

Details of all purchases made by the Council costing over £100 are published on a monthly basis on the Council's web site.

The Councilor Code of Conduct requires that members notify the Council's Monitoring Officer of their financial and other interests, by completing a declaration of interests form. The register is open to inspection by the public and you can view copies of the Declaration of Interest forms on line from this page or they can be accessed from each individual Councilor's webpage and for further information, please contact Democratic Services on 01952 383211. Further information in relation to Information Governance is presented to the Council's Audit Committee which can be found via the Council's web site.

Michelle Brockway
Director Finance, People & IDT
Chief Financial Officer
[insert date]

Statement of Responsibilities

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Director: Finance, People & IDT (Chief Financial Officer);
- manage its affairs to secure economic, efficient and effective use of resources, safeguard its assets and to approve the Statement of Accounts.

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts which, in terms of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice') is required to present a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31st March 2025.

In preparing this statement of accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently,
- made judgements and estimates that were reasonable and prudent, and
- complied with the Code of Practice.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date,
- taken reasonable steps for the prevention and detection of fraud and other irregularities, and
- signed the letter of representation for the External Auditor on completion of the Audit.

CERTIFICATE OF THE CHIEF FINANCE OFFICER

I hereby certify that the Statement of Accounts complies with the requirements of the Accounts and Audit Regulations 2015.

Michelle Brockway
Director: Finance, People & IDT (C.F.O.)
Dated: [insert date]

APPROVED BY AUDIT COMMITTEE

The Statement of Accounts was approved at a meeting of the Audit Committee.

Councillor Helena Morgan
Chair of Audit Committee
Dated: [insert date]

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Annual Governance Statement

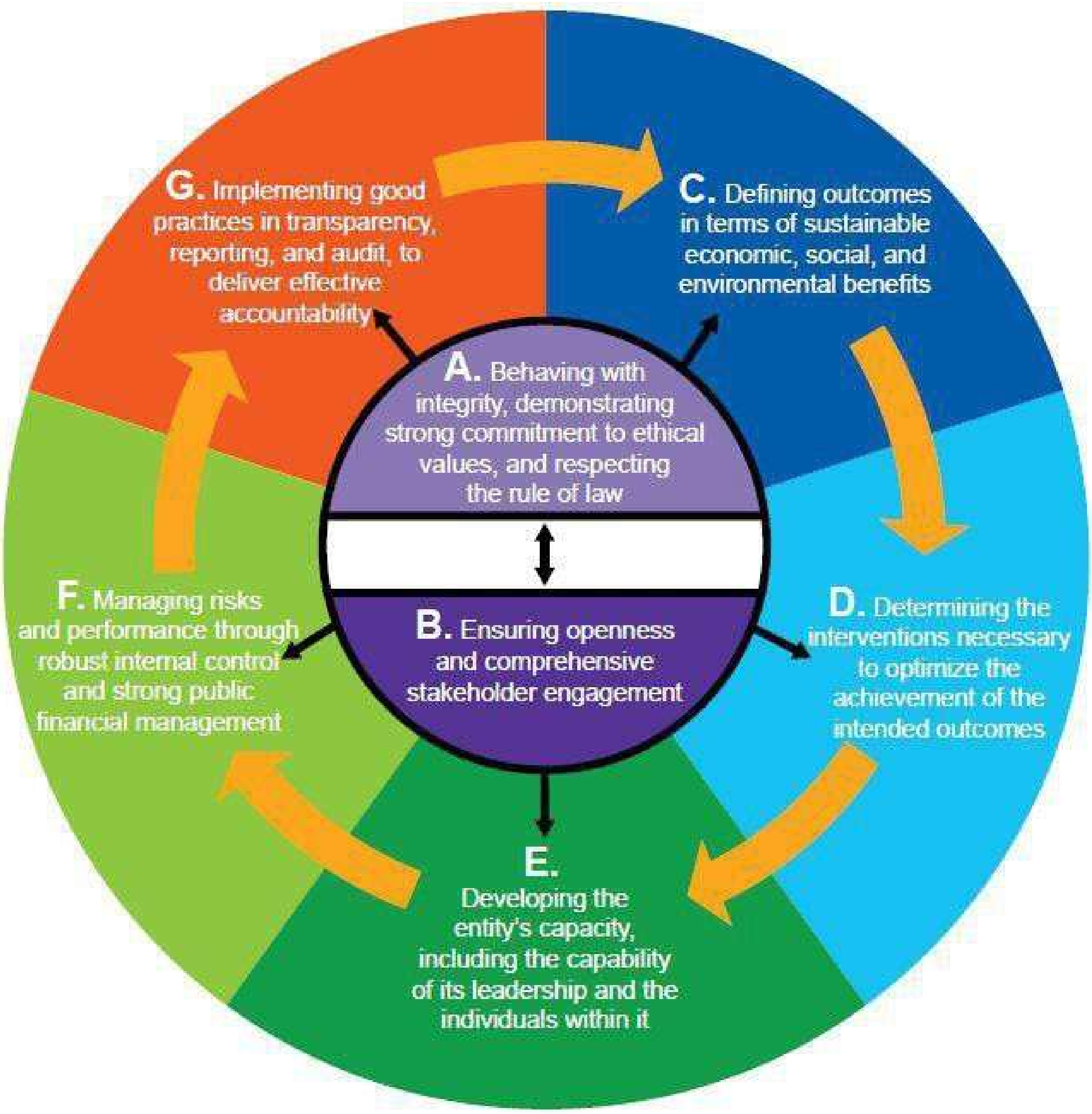
1 April 2024 – 31 March 2025

1. Introduction

1.1 Under the Accounts and Audit Regulations 2015 the Council is required to produce an Annual Governance Statement to accompany the Statement of Accounts which is approved by the Audit Committee.

The Annual Governance Statement outlines that the Council has been adhering to the Local Code of Corporate Governance, continually reviewing policies and procedures to maintain and demonstrate good corporate governance and that it has in place robust systems of internal control.

The Council has adopted the Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework – Delivering Good Governance in Local Government.



CIPFA's Principles of Good Governance

2. Executive Summary

2.1 Telford & Wrekin Council's vision is to protect, care and invest to create a better borough. The Council wants the borough to be a place in which to grow up, work, prosper and grow older. The Council Plan provides a medium-term view of what it plans to do to achieve this ambition and sets out 5 priorities to underpin this work. In the longer term the Council also has set out its 10 year vision/Vision 2030 which details borough aspirations for the Council and its partners.

2.2 To achieve this ambition the Leader of the Council and the Chief Executive recognise the importance of having a solid foundation of good governance and sound financial management.

2.3 2024/25 has seen continued key challenges around financial management which have been addressed by the Council. It has, and continues to, put in place robust savings and financial management plans which seek to minimise any impact on frontline services.

2.4 The past 12 months has seen some notable successes for the Council and its community. The Council continues to be a high performing local authority that places the community in the centre of everything it does. Particular highlights in 2024/25 included:

- The Council has been shortlisted for 3 national awards including Council of the Year
- The Care Quality Commission assessed the Council's Adult Social Care services as GOOD
- Ofsted rated the Council's Children's services as OUTSTANDING
- National recognition for the Council's work within the Special Educational Needs and Disabilities (SEND) arena
- National recognition for the Council's response to the independent inquiry into child sexual exploitation that it commissioned in 2018.

See paragraphs 6.6 and 7.3.13 for more detail on the Council's key achievements.

2.5 Overall this statement provides a **reasonable level of assurance** that the Council's governance arrangements including internal systems of control are fit for purpose.

3. Standards of Governance

3.1 The Council expects all of its members, officers, partners and contractors to adhere to the highest standards of public service with particular reference to the employee and Members' Code of Conduct, Council vision and priorities as well as applicable statutory requirements.

4. Scope of Responsibility

4.1 Telford and Wrekin Council are responsible for ensuring that its business is conducted in accordance with the law and proper standards. The Council needs to demonstrate that public money is safeguarded and properly accounted for and used economically, efficiently and effectively to secure continuous improvement.

4.2 To meet this responsibility, the Council puts in place proper arrangements for overseeing what it does including arrangements for the governance of its affairs including risk management, compliance with regulations and ensuring the effective exercise of its functions.

4.3 The Council must do the right things, in the right way, for the right people, in a timely, transparent and accountable manner. The Council takes into consideration all systems, processes, policies, culture and values that direct and control the way in which it works and through which it engages and leads its community.

4.4 The Council is aware that it does not get everything right 100% of the time. But through consultation, lessons learnt and a robust complaint handling process, it is always looking to develop and be better in everything that it does.

5. The Governance Framework

5.1 The governance framework allows the Council to monitor how they are achieving its strategic aims and ambitions and how this contributes to the delivery of its vision, priorities and values, see below.

5.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve priorities and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

5.3 The system of internal control is based on an ongoing process designed to appropriately identify, quantify and manage the risks to the achievement of the Council's priorities, objectives and policies.

6. Review of Effectiveness

6.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements including the system of internal control. The review of effectiveness is informed by:

6.2 The Council has faced a continued challenging financial environment during 2024/25 due to the funding constraints it is working within, coupled with ongoing rising costs that has been experienced nationally. The Council has met these challenges and continues to deliver services against the backdrop of realising considerable savings.

6.3 The Council recognises the ongoing importance of information governance and formalised its Information Governance Framework. The main focus of the Information Governance Team in 2024/25 has been to:

- Ensure the Council's continued compliance with the requirements of the UK Data Protection Act/General Data Protection Regulations (GDPR) 2018
- Updating relevant training, policies and procedures
- Managing risks associated with the implementation of new systems
- Facilitating appropriate and secure information sharing where there is a legal basis to do so
- Support the prevention/investigation of data breaches ensuring lessons are learnt

The Information Governance Team has continued to report to the Audit Committee and Senior Management Team on information rights requests and data incidents. During 2024/25 no enforcement action has been taken by the Information Commissioner's Office (ICO) against the Council.

6.4 The Chief Executive, Executive Directors, Directors and Service Delivery Managers have signed annual assurance certificates confirming that the governance framework has been operating effectively within their area of responsibility, subject to the actions outlined in Annex 1.

Internal Audit undertake sample testing of completed certificates to provide additional assurance that adequate controls/risk management measures have been operating in 2024/25.

6.5 The Accounts and Audit Regulations 2015 require a review of the effectiveness of the system of internal control. This review is informed by the work of Internal Audit, management, other internal assurance activities and the External Auditors' review. The Internal Audit Annual Report 2024/25 will set out the Chief Internal Auditor's opinion.

6.6 The Council has been advised on the implications of the review of the effectiveness of the governance framework by Cabinet, Standards Committee, Audit Committee, Scrutiny, Senior Managers, Internal Audit and external review.

The Chief Internal Auditor concludes that the Council is committed to maintaining the highest ethical standards and levels of governance and that the review of governance arrangements provides a **reasonable level of assurance** that these arrangements are effective and continue to be regarded as fit for purpose in accordance with the governance framework.

Internal Audit Work

One of Internal Audit's key objectives, as detailed in the Internal Audit Charter is *'To review the effectiveness of governance, risk management and control processes of the Council to aid improvement, provide a level of assurance and an opinion on them to the Council.'*

The work of Internal Audit is based on risk and the scope of each audit assignment as a minimum, includes assessment of the governance, risk management and control arrangements put in place by management.

Internal Audit have completed 93% (23/24 – 90%) of the revised risk-based Annual Internal Audit Plan together with some additional ad-hoc work as required.

Internal Audit have ensured that the Chair/Audit Committee and Senior Management Team have been kept informed of audit resource/work throughout the year.

Other Sources of Assurance

As stated above, reliance has been placed on other sources of assurance in 2024/25 with respect to the Chief Internal Auditor's opinion. Other sources of assurance have been obtained from in-year activity but also by reflecting on past opinions and the basis of these.

2024/25 has seen the Council consistently recognised as a well performing Council by a number of external bodies. Below is a summary of the recognition received.

- The Council has been shortlisted for 3 awards including Council of the Year, the Environmental Services Award (for organising Reuse events to cut waste) and Public Partnership Award (for its response to child sexual exploitation).

- The Care Quality Commission (CQC) assessed the Council's Adult Social Care services as GOOD. CQC recognised that Adult Social Care was performing well and meeting their expectations.

- Ofsted rating the Council's Children Services as OUTSTANDING – the second consecutive outstanding judgment. Ofsted praised the way that the Council put young people at the heart of everything we do and highlighted its approach to participation and co-production as a real strength.

- The Council's Lets Dine Team achieved the bronze standard award catering mark, awarded by the Soil Association Food for Life.

- Telford Town Park ranked the cleanest park in England by LitterBins.co.uk

- The Council's Station Quarter project has been nominated for the Regeneration & Sustainability Project of the Year by the Insider West Midlands Property Awards.

- There has been national recognition for the Council's work within the Special Educational Needs and Disabilities (SEND) arena.

- There has also been national recognition for the Council's response to the independent inquiry into child sexual exploitation that it commissioned in 2018.

Other examples of assurance obtained in year include:

- 1:1 supervision and team meetings
- Case file audits
- Regular contract review meetings
- LGA service review
- Completion of statutory returns
- Quality checks undertaken
- Completion and approval of regular reconciliations
- Lexcel re-accreditation in Legal
- Inspection by the Investigatory Powers Commissioner's Office
- Annual Scrutiny Work Programme
- Quality Assurance Improvement Plan
- Quarterly statutory officer's meetings
- External audit of Housing Benefit Subsidy Claim
- DWP audit
- CQC inspection

KPMG have been the Council's External Auditor for 2024/25. They have stated that:

- There are no significant issues identified in their value for money risk assessment to date
- The 2023/24 accounts have been signed off (CIPFA state over 200 disclaimed or qualified opinions have been issued across England) with good relationships forged with the Council's Finance Team
- They expected that there would be very few corrections required to the Statement of Accounts
- No financial management issues had been found by KPMG or the previous External Auditor (Grant Thornton) in the years preceding 2024/25

6.7 In the Chief Internal Auditor's opinion, the above assurance activity reflects that sound governance arrangements are in place as a number of the points above would not have been possible without adequate governance foundations being in place and embedded.

There have been no significant instances of fraud, poor risk management and/or poor financial management that would lead the Chief Internal Auditor to believe poor governance practices have been in place.

However, as part of the AGS certification process and ethics-related audit checks throughout the year, there have been a small number of areas identified that do require further development. Attached as Annex 1 is an agreed action plan to address these areas for development and ensure continuous improvement.

6.8 Issues from the previous AGS action plan (2023/24) that have been addressed or mainstreamed have been deleted and those that continue to be addressed are included in the 2024/25 action plan.

6.9 The Senior Management Team has monitored implementation of the 20232/24 actions and progress has been reported to the Audit Committee at the January 2025 meeting.

6.10 Detailed below is a statement explaining how the Council has complied with the Code of Corporate Governance and meets the requirements of the Accounts and Audit Regulations 2015 and CIPFA Code on the Principles of Good Governance.

7. Statement of Compliance

7.1 Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law.

7.1.1 Members and officers recognise the importance of compliance with the Council's Constitution, specifically the Financial and Contract Rules; Procurement Regulations, Scheme of Delegation, Codes of Conduct and Gifts & Hospitality Policy.

However, some improvements are needed in this area and recommendations have been included in the 2024/25 AGS action plan.

7.1.2 There is ongoing training for Code of Conduct, Equality Awareness, Leadership and Governance and Contract Procedure Rules/Procurement.

7.1.3 The Council has an Anti-Fraud & Corruption Policy, supported by the Whistleblowing (Speak Up) Policy, encouraging internal referrals.

The Council has a zero-tolerance policy in relation to fraud and corruption and it is service management's responsibility to ensure there are adequate controls in their areas to ensure the opportunities for fraud are minimised. It is everyone's responsibility to report suspicions and the Whistleblowing (Speak Up) Policy supports this internally.

Internal Audit, along with the Investigations Team, undertakes proactive fraud work based on a fraud risk register and/or other intelligence. Other specific anti-fraud and corruption activities are undertaken by Trading Standards.

An annual report on anti-fraud and corruption activities and an update to the Anti-Fraud & Corruption Policy and Whistleblowing (Speak Up) Policy is presented to the Audit Committee.

7.1.4 As well as complying with the Council's Employee Code of Conduct, Council officers also comply with their own professional bodies' code of conduct when delivering services.

7.1.5 All Internal Audit reviews consist of an ethics questionnaire that is sent to a sample of staff in specific teams to demonstrate their understanding of key corporate policies.

Ethic questionnaire findings have been shared when discussing individual audits with relevant Service Delivery Managers and Directors and taken to SMT as part of reporting corporate recommendations. Identified improvements required highlighted from findings from the ethics work have been included in the 2024/25 AGS action plan.

7.1.6 There are both internal and external reviews in social care to monitor compliance with the law, e.g. the Care Act, Deprivation of Liberties, Safeguarding and Mental Health Act.

7.1.7 Human Resource and recruitment policies and processes ensure the Council is fully compliant with employment law. Annual audits are undertaken in these areas and ongoing checks take place to ensure compliance with IR35 legislation.

7.1.8 Senior officers meet regularly and work closely with members to ensure that they understand and can undertake their roles effectively and legally.

7.1.9 Cabinet monitors the effectiveness of the governance framework through the consideration of regular service and financial management information reports from senior management.

Individual Cabinet Members receive regular feedback from senior officers in respect to their areas of responsibility on the progress of priorities and objectives. Issues of strategic and corporate importance are referred to Cabinet.

7.1.10 Statutory responsibilities across the Council are discharged openly and proactively, examples include having key statutory officers in place, i.e. Head of Paid Service, Data Protection Officer, Section 151 Officer, Monitoring Officer, Director of Children Services, Director of Adult Services, Director of Public Health and Scrutiny Officer.

7.2 Ensuring openness and comprehensive stakeholder engagement.

7.2.1 To plan for the next ten years, Vision 2032 was developed to describe what the borough would be like to live-in in 2032 presenting a clear ambition and direction of travel for the borough. It was developed through:

- wide ranging engagement with residents;
- analysis of data about our communities and economy; and,
- collaboration with key strategic partners.

In recognising some of the key challenges facing the borough, the fundamental goal of the vision is “to build a more inclusive borough” through four ambitions.

- All neighbourhoods are connected, safe and clean;
- Everyone is able to live a healthy, independent life;
- Everyone benefits from good education and can fulfil their potential in a thriving economy; and,
- The environment is protected for the benefit of everyone.

Against each ambition the Vision describes the ambitions and aspirations for what will be achieved by 2032. Delivery of the Vision is driven through a partnership of key strategic organisations which meet three times each year to evaluate progress in delivering the Vision and to identify new or emerging challenges and opportunities. The latest update report went to Cabinet in March 2025.

7.2.2 The Council actively contributes to, and collaborates with, partners to promote good governance and achieve the delivery of outcomes through increased joint working. The Council is a member of a number of sub-regional partnerships and groups.

Many of our services are delivered in partnership with other organisations such as West Mercia Energy, Town and Parish Councils, voluntary groups, etc.

7.2.3 Regular meetings take place between Children's Safeguarding and key partner agencies such as the police, Education and Health.

7.2.4 All Council services feed into transparent reporting processes through Council committee meetings and this is further supported by the transparency agenda.

7.2.5 Annually the public is consulted on the budget for the forthcoming year.

7.2.6 The Council works in partnership with a range of local health partners. This includes TWC being represented on the Integrated Care Board, T&W Health and Wellbeing Board and TWC's Chief Executive chairing the Telford & Wrekin Integrated Place Partnership (TWIPP), which is now a formal sub-committee of the ICB.

7.2.7 The Scrutiny provision has looked at the development of policy, the decision-making process and areas of concern. The subject areas for review will be informed by community engagement, direct feedback to members from within the community, the results of review and inspection (both internally and externally) and areas of policy being developed by the Council.

7.2.8 The Council undertook a customer survey in 2024 to obtain views from citizens as to how they perceived the Council's service delivery. Survey findings included:

- 85% of respondents were satisfied with the Council's access channels
- Customer satisfaction score increased from 72.1 in 2022 to 74
- The Council had a score of 4.3 for effort customers have to make to access Council services (therefore a lower score is positive). This compares to a national average of 5.8

7.2.9 In addition to 7.2.8 above, the Council undertook a resident's survey to obtain the views of residents over a number of areas. A targeted approach was undertaken for this survey with households across all wards being represented.

7.2.10 The Council also undertook a young person's online survey for 11-18 year olds. The Council used its existing youth engagement groups to encourage participation.

7.3 Defining outcomes in terms of sustainable economic, social and environmental benefits.

7.3.1 The Council Plan was refreshed in 2024. The plan identifies 5 priorities to deliver the Council's vision to 'Protect, Care and Invest to Create a Better Borough'. The Council continues to develop commercial projects to generate income to invest in frontline services to mitigate increases in the cost of living and the ongoing impact of Government funding.

7.3.2 Digital transformation, the ethical and appropriate use of artificial intelligence and changes in the way we work are intrinsic to the Council's service delivery model.

7.3.3 The Telford and Wrekin Local Plan sets out the Council's vision and strategy for the physical planning of the borough up to 2031.

The Council are currently undertaking a review of the Local Plan and have completed consultation exercises on this. The Local Plan is now being finalised prior to the plan being submitted to the Government's Planning Inspectorate for independent examination.

7.3.4 All service areas have their own service plans (refreshed in 2024/25) which details how they intend to deliver their service for the coming year and the risks/challenges they face in meeting their service objectives.

7.3.5 The Council has a commercial/investment strategy that demonstrates clear visions, objectives and outcomes. This includes financial, economic, social and environmental issues.

7.3.6 The Council's economic growth strategy supports and drives increased economic productivity.

7.3.7 The financial strategy sets out the short and long term implications for service delivery across the Council. The Service & Financial Planning reports include various papers to Cabinet regarding the budget and sets out short/medium and long-term implications, including capital strategy and savings strategy.

7.3.8 Adult Social Services, in respect of financial management and the implementation of the cost improvement plan, have continued to provide updates during the year to SMT and members.

7.3.9 Children's Services have partnered with IMPOWER to embed Valuing Care across multiple services. Valuing Care looks to support a needs focused, outcomes driven approach across all of Children's Services. This work also looks at cost savings / avoidance including saving of £9.6m related to changes in placement costs. Other savings streams are also being explored.

7.3.10 All reports to members (Committee reports, Cabinet reports and Council reports) show relevant legal and financial implications and risk.

7.3.11 Implementation of the IDT Strategy has continued, including infrastructure upgrades and further security improvements particularly in response to spam, phishing and ransomware attacks.

7.3.12 An Artificial Intelligence Board has been established to ensure that any AI projects are appropriately governed.

7.3.13 The Council has implemented a number of climate actions which contribute to its aims of becoming carbon neutral by 2030.

Tackling climate change is one of the priorities set out in the Council Plan. Throughout its partnerships, the Council is also playing its part in helping the wider borough to achieve the same targets the Councils has set for itself.

Key actions have included:

- The Council has achieved an overall reduction of 61% in CO_2 emissions from a baseline of 2018/18
- Installation of solar panels, electric vehicle charging points and battery storage at Horsehay Village Golf Course
- Decarbonisation work at Oakengates Leisure Centre including the installation of heat pump technology and installing an energy efficient roof covering
- Orchard Business Park development included the installation of solar panels
- Through the Council's Warm and Well Telford fund, grants are given for climate change work in households

- Nuplace, the Council's wholly owned housing company, developed energy efficient properties for rent
- Providing over 9,000 energy saving lightbulbs to the community
- Replacing Council fleet vehicles with electric versions (currently there are 15 electric vehicles in operation), where possible, as existing vehicles reach the end of their useable life
- Creation and maintenance of the Climate Change Adaption Risk Register

Many more activities have taken place in 2024/25 to support climate adaption and biodiversity.

7.4 Determine the interventions necessary to optimise the achievement of the intended outcome.

7.4.1 The 2024/25 Service & Financial Strategy including the Treasury Management Plan are aligned to the refreshed Council Plan. The strategy sets out how our financial resources will be used to deliver the Council vision and priorities.

7.4.2 Budget plans are produced for all service areas for planning purposes. Budget consultation is undertaken annually with Council Members and members of the public.

7.5 Developing the Council's capacity, including the capability of its leadership and the individuals within it.

7.5.1 The Workforce Strategy was approved in 2021/22 and is available to all employees on the intranet. The strategy consists of 5 priorities which reflects the Council's aims to achieve its objectives.

The Council is currently refreshing this strategy and will look to encompass feedback from the recent employee survey into an updated version in 2025/26.

7.5.2 The Council undertook a survey of all of its employees in 2024/25. A total of 1,405 responses were completed. The survey identified that:

- 84% of employees would recommend the Council as a great place to work
- 95% of employees are interested in their work
- 92% of employees understand how their work contributes to the Council's priorities

7.5.3 Officers understand their respective roles and these are set out in job descriptions. The Constitution, Scheme of Delegation and Contract Procedure Rules clearly details roles and responsibilities, specifically with regard to delegation and authorisation.

7.5.4 There are various training methods available to staff such as mentoring, OLLIE (On-line learning platform),virtual and face to face. The Leadership & Management Programme continued in 2024/25 with approximately 250 Team Leaders/Managers taking part.

7.5.5 Managers continue to be encouraged to look for apprenticeship opportunities for their team. In addition, the Council organised a Skills Show (annual event) with over 50 exhibitors and 4,000 visitors attending. Apprenticeship opportunities were promoted at this show.

7.5.6 An induction programme is in place for members and officers.

7.5.7 The action plan at *Annex A* of this statement details areas of improvement in this area identified from the results of the annual governance certification process and the ethics questionnaire used in audits.

7.6 The Council continues to manage risks and performance through robust internal control and strong public financial management.

7.6.1 Risk management is an integral part of good management and corporate governance and is the at the heart of what the Council does. A number of governance documents details the Council's approach to risk including the Risk Management Framework, Risk Management Strategy and Risk Management Policy.

7.6.2 The Council has a Corporate Strategic Risk Register which details key risks that could stop the Council achieving its objectives. This risk register is presented to the Audit Committee 4 times a year.

7.6.3 The Internal Audit plan is informed by the Council's service and financial planning processes, Corporate Strategic Risk Register, external inspection reports, external networking intelligence and comments/opinions from senior management on the current state of governance, risk and control environment. Each area on the plan is risk rated.

7.6.4 During 2024/25 the Internal Audit team achieved 93% of their revised planned work and this has been used, in part, with the relevant output from unplanned work to help form their opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control framework.

All Internal Audit reports produced are given an assurance rating (from poor to good) and each recommendation in the audit reports are risk assessed and given a risk rating.

7.6.5 The Chief Internal Auditor has undertaken checks on the work of Internal Audit as part of the Quality Assurance Improvement Program. No significant issues have been found during these checks but a small number of minor issues have been fed back to the Internal Audit Team to assist in their continuous improvement.

7.6.6 Internal Audit reports to the Audit Committee 4 times a year. The reports include all internal audit activity throughout the year including reports produced and follow up reviews undertaken. The Audit Committee also approved the Internal Audit Charter for 2024/25.

7.6.7 Large projects require the maintenance of a project risk register, this is a working document that is reviewed and amended throughout the lifecycle of the project. Where projects involve the processing of personally identifiable information, a Data Protection Impact Assessment is also completed which requires risks and risk treatment to be documented.

7.6.8 The Council has adopted the CIPFA Code of Practice for managing the risk of fraud and corruption and this has been reflected in the Council's Anti-Fraud & Corruption Policy and Whistleblowing (Speak Up) Policy.

7.6.9 Services report regularly to Council committees such as the Audit Committee, Planning, Licensing, Cabinet, etc. These reports detail any impact assessment, including risk and opportunity. Financial decisions are reported to Cabinet, Full Council and Audit Committee, who often challenge to ensure appropriate financial management and to demonstrate transparency.

7.6.10 Financial Regulations set out our financial management framework for ensuring the Council make best use of the money they have available. Financial roles and responsibilities are clearly shown in the regulations and it provides a framework for financial decision-making.

7.6.11 The Treasury Management Strategy and regular updates on treasury matters are provided to Audit Committee. This information clearly details investments, loans and the financial position of the Council. The Council uses external treasury advisors, Link, to support its activities.

7.6.12 The Council's financial strategy identifies the short term budget plan and long term aspirational plan linked to the Council plan to be a self-sustaining Council.

7.6.13 The Council complies with the Principles and Standards set out in the CIPFA Financial Management Code appropriately and proportionately demonstrating sound financial management and providing the expected assurance.

7.6.14 The Council has continued to make savings in light of ongoing financial pressures. £181.7m of ongoing savings/additional income will have been delivered by the end of 2024/25 with a further £13.1m to be delivered by the end of 2025/26. As part of the Local Government Finance Settlement for 2025/26, the Government announced its intention to move to multi-year settlements from 2026/27 onwards alongside a reform of the formula funding allocations and a reset of the Business Rates system, both of which will be consulted on throughout 2025.

However, it is unlikely that the Council will know what its funding settlement is for 2026/27 and future years until December 2025, just 3 months before the start of the new year. This makes it challenging to forecast the level of savings required from April 2026 onwards.

7.7 Implement good practices in transparency, reporting and audit to deliver effective accountability.

7.7.1 The Council endeavours to be open and transparent in its activities and reporting. Specific examples of this include:

- All Council/Committee agendas, papers and minutes are published on its website
- Public consultation is undertaken on the budget
- All expenditure over £100 is published on the Council website
- Publication of the Complaints and Compliments annual report

7.7.2 The Audit Committee has responsibility for internal and external audit matters, the Council's arrangements for corporate governance and risk management.

7.7.3 In 2024/25, the Council continued to be the lead authority for the West Midlands Audit Committee Chairs Forum (WMACCF). The Council's Chairperson of the Audit Committee is also the Chairperson of the WMACCF.

The WMACCF is sponsored by the Local Government Association and is a forum where Audit Committee Chairs from across the West Midlands meet to share good practice.

7.7.4 The Audit Committee terms of reference also incorporate the review and monitoring of the Council's Treasury Management arrangements. Members of the committee are kept up to date through awareness training on factors that influence/affect delivery of the strategy and during the year were provided with an update on these matters by MUFG Treasury Services, the Council's Treasury Management advisors.

7.7.5 There are various committees, all with their own terms of reference and areas of responsibility, i.e. Licensing Committee, Planning Committee, etc, and there are elected members who are responsible for service areas within the Council.

7.7.6 Arrangements are in place to ensure Internal Audit fully complies with the Public Sector Internal Audit Standards (PSIAS). The Internal Audit team complete self-assessments against the standards and the outcome of this is reported to the Audit Committee.

The next internal self-assessment will be completed in 2025/26 against the new revised global audit standards. The next external assessment will take place in 2026/27.

7.7.7 The Internal Audit plan is developed using a risk-based approach taking into consideration the Corporate Strategic Risk Register, Service Plans and other relevant information. Audit recommendations made are communicated to the relevant Service Delivery Managers and relevant Senior Management representatives for consideration and implementation of recommendations.

Internal Audit will share best practice in the duty of their work. The Audit Plan is reviewed regularly to ensure it is still relevant and any changes to the plan are reported to the Audit Committee.

7.7.8 The Council's Communication Team works with officers and members to ensure key messages are easy to understand and in accessible formats to meet the diverse needs of our borough.

7.7.9 The Council's performance management framework is monitored by the Senior Management Team and has procedures in place that drive continuous improvement in performance.

7.7.10 The Council has identified lessons learnt from corporate complaints and complaints made to the Local Government Ombudsman and implemented measures accordingly.

7.7.11 The Council continues to meet its statutory duties under the Equality Act 2010. The Council has an Equality, Diversity and Inclusion (EDI) Strategy and publishes an annual EDI report. Key EDI activity undertaken in 2024/25 included:

- Delivery of tailored training programme for elected members, managers and employees to enhance their understanding of the Equality Act 2010, their responsibilities and how they can meet their duties effectively.
- Employee led support groups continue to provide a voice and safe space for employees who share protected characteristics, and their allies, whilst delivering a range of awareness and well-being initiatives for the workforce.
- Residents who share a range of protected characteristics have influenced development of policy and practice through proactive engagement and involvement. This has included amongst others the design of the new Theatre Telford, co-design of Adult Social Care self-service portal and delivery of an inclusive leisure strategy.

8. Looking Forward

8.1 Although the annual governance process reflects on the past year, it is also important that this statement looks forward to identify future factors that may impact its governance arrangements.

8.2 New Global Internal Audit Standards

8.2.1 The new Global Internal Audit Standards and the Application Note will form the basis of UK public sector internal audit effective from 1 April 2025. Therefore, the Council's Internal Audit operations must comply with these standards.

8.3 Local Government Reorganisation

8.3.1 The English Devolution White Paper published in December 2024 sets out the government's vision for simpler local government structures. Although, currently, this will not directly affect Telford and Wrekin Council, changes across the wider West Midlands region in particular will be monitored.

8.4 On-going financial challenges

8.4.1 Telford and Wrekin Council and other local authorities in England face continued financial challenges. The Council has a good record in meeting these challenges and continues to explore income generation as part of its financial management strategy.

8.5 Continued Customer Centric Service

8.5.1 The Institute of Customer Services has recently confirmed that it has awarded Service Mark Accreditation to the Council. It was identified by the institute that the Council is meeting the National Customer Service Standard. The Council are only 1 of 69 organisations across the country to receive this accreditation and the first Council in the country to be accredited.

Sign-off of the 2024/25 Annual Governance Statement

Name/Role	Signed	Dated
David Sidaway Chief Executive		09/05/2025
Cllr Lee Carter Leader of the Council		07/05/2025
Cllr Helena Morgan Chair of Audit Committee		

AGS ACTION PLAN FOR 2024/25 FOR IMPLEMENTATION DURING 2025/26

Ref.	Area Identified for development and / or ongoing monitoring	Actions	Lead Officer
1.	Ongoing savings proposals, budget constraints and continued strategic management of organisational changes. Ongoing from previous AGS	Continued management of budgets, savings, revised structures and commercial/business approach which links to the continued development and implementation of revised governance arrangements. Delivery of in year savings is monitored on a regular basis at SMT. Further consultations on future savings will be undertaken where necessary.	• Chief Executive • Senior Management Team
2.	All internal audits include sending ethics questionnaires to a sample of staff in the team/area being audited. This is to demonstrate their understanding of corporate policies and whether staff feel supported. In a small number of questionnaire responses completed it was noted that not all staff: • Had received an Annual Performance & Development Discussion • Were familiar with particular Council policies • Had completed all essential learning requirements These findings have been shared with Service Delivery Managers / Directors when discussing	Report to SMT on the completion rate for Annual Performance & Development Discussion. Reports on the completion of essential learning will be presented to SMT periodically. A reminder will be sent to all staff on key corporate polices.	• Senior Management Team

Ref.	Area Identified for development and / or ongoing monitoring	Actions	Lead Officer
	the audit report for their service with recommendations for rectification.		
3	The annual certification process highlighted that there had been some reduction in the number of appropriately skilled staff in some service areas although actions had been identified to address this. Recruitment of staff in local government, particularly in some professions, continues to be challenging. This results in some single point of failure or the use of temporary staff.	The Council continues to explore and implement a number of initiatives in respect to staffing including service and workforce planning, apprenticeship schemes, etc to support managers in addressing these areas. A revised workforce strategy will be launched in 2025 which will cover succession planning, single point of failure and 'growing our own'. The Leadership & Management training and learning programme continues for Team Leaders / Service Deliver Managers. The programme looks to support management development and to enable some resilience planning within the Council. The Council continues to monitor the effectiveness of different channels of recruitment it uses and is developing an employee value proposition i.e. 'why work for T&WC'. In 2024/25 the Council has continued to organise the Skills & Apprenticeship Show to support recruitment.	• Director: Finance, People & IDT
4	Low/medium risk data breaches are being experienced in some Council Teams. Data breaches are reported to the Information Governance (IG) Team who investigate the circumstances of the breach, assess the	Incorporate data breach analysis into the Managing the Business dashboard presented to the Senior Management Team. Increase sharing of information internally of trends around data breaches and 'near misses'.	• Director: Policy & Governance

Ref.	Area Identified for development and / or ongoing monitoring	Actions	Lead Officer
	associated risk and ensure lessons learnt are identified. The information Commissioner's Office have not taken any action against the Council is 2024/25.	IG Team support for services who process high volumes of personal data. Continue to develop/invest in the Council's secure email functionality (Zivver).	

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2024/25
EXPENDITURE & FUNDING ANALYSIS AND ACCOMPANYING NOTES

Expenditure & Funding Analysis

The EFA is not a Primary Financial Statement and as such should be treated as a note to the accounts. Further details of adjustments between the funding and the accounting basis are contained in the note to the EFA. The Expenditure and Funding Analysis (EFA) shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the local authority in comparison with those resources consumed or earned by the authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2023/24 Restated				2024/25		
Net Expenditure Chargeable to the General Fund Balance £000	**Adjustments Between the Funding and Accounting Basis £000**	**Net Expenditure in the Comprehensive Income & Expenditure Statement £000**	**SERVICE**	**Net Expenditure Chargeable to the General Fund Balance £000**	**Adjustments Between the Funding and Accounting Basis £000**	**Net Expenditure in the Comprehensive Income & Expenditure Statement £000**
73,868	(1,882)	71,986	Adult Social Care	77,787	(2,365)	75,422
49,921	(3,877)	46,044	Children's Safeguarding & Family Support	49,335	(4,033)	45,302
(28)	884	856	Corporate Communications	0	782	782
(11,141)	(432)	(11,573)	Council Wide	(11,127)	2,782	(8,345)
7,337	446	7,783	Education & Skills	6,958	32,330	39,288
8	23,677	23,685	Finance, People & IDT	12,355	3,561	15,916
43	343	386	Health & Wellbeing	403	158	561
6,860	(1,734)	5,126	Housing, Customer & Commercial Services	3,967	(1,348)	2,619
25,698	7,321	33,019	Neighbourhood & Enforcement Services	26,112	7,004	33,116
1,320	4,606	5,926	Policy & Governance	1,390	3,969	5,359
(7,486)	13,639	6,153	Prosperity & Investment	(9,593)	48,710	39,117
146,400	**42,992**	**189,391**	**Net Cost Of Services**	**157,587**	**91,550**	**249,137**
(146,415)	(47,184)	(193,599)	Other Income & Expenditure	(157,678)	(34,301)	(191,979)
(15)	**(4,193)**	**(4,208)**	**(Surplus) or Deficit**	**(91)**	**57,249**	**57,158**
4,721			**Opening General Fund Balance**	**4,569**		
15			Surplus or (Deficit) for year	91		
(167)			Other approved uses	(216)		
4,569			**Closing General Fund Balance**	**4,444**		

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Expenditure & Funding Analysis Notes

1. Adjustments between funding and accounting basis

2024/25

	Net Expenditure Chargeable to the General Fund Balance £000	Adjustments for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other* Adjustments £000	Total Adjustments £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Adult Social Care	77,787	464	0	(2,829)	(2,365)	75,422
Children's Safeguarding & Family Support	49,335	246	0	(4,279)	(4,033)	45,302
Corporate Communications	0	2	0	780	782	782
Council Wide	(11,127)	3,999	(2,346)	1,129	2,782	(8,345)
Education & Skills	6,958	38,510	0	(6,180)	32,330	39,288
Finance, People & IDT	12,355	4,083	0	(522)	3,561	15,916
Health & Wellbeing	403	0	0	158	158	561
Housing, Customer & Commercial Services	3,967	4,969	0	(6,317)	(1,348)	2,619
Neighbourhood & Enforcement Services	26,112	7,315	0	(311)	7,004	33,116
Policy & Governance	1,390	59	0	3,910	3,969	5,359
Prosperity & Investment	(9,593)	31,233	0	17,477	48,710	39,117
Net Cost of Services	**157,587**	**90,880**	**(2,346)**	**3,016**	**91,550**	**249,137**
Other Income & Expenditure	(157,678)	(43,321)	356	8,664	(34,301)	(191,979)
(Surplus) or deficit on provision of services	**(91)**	**47,559**	**(1,990)**	**11,680**	**57,249**	**57,158**

* - Other Adjustments include technical adjustments for MRP, accumulated absences, revenue grants and movement in reserves.

2023/24 (Restated)

	Net Expenditure Chargeable to the General Fund Balance £000	Adjustments for Capital Purposes £000	Net Change for the Pensions Adjustments £000	Other Adjustments £000	Total Adjustments £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Adult Social Care	73,868	294	0	(2,176)	(1,882)	71,986
Children's Safeguarding & Family Support	49,921	142	0	(4,019)	(3,877)	46,044
Corporate Communications	(28)	7	0	877	884	856
Council Wide	(11,141)	1,444	186	(2,062)	(432)	(11,573)
Education & Skills	7,337	7,907	0	(7,461)	446	7,783
Finance, People & IDT	8	2,320	0	21,357	23,677	23,685
Health & Wellbeing	43	0	0	343	343	386
Housing, Customer & Commercial Services	6,860	5,851	0	(7,585)	(1,734)	5,126
Neighbourhood & Enforcement Services	25,698	8,456	0	(1,135)	7,321	33,019
Policy & Governance	1,320	13	0	4,593	4,606	5,926
Prosperity & Investment	(7,486)	10,005	0	3,634	13,639	6,153
Net Cost of Services	**146,400**	**36,439**	**186**	**6,366**	**42,991**	**189,391**
Other Income & Expenditure	(146,415)	(58,950)	3,364	8,402	(47,184)	(193,599)
(Surplus) or deficit on provision of services	**(15)**	**(22,511)**	**3,550**	**14,768**	**(4,193)**	**(4,208)**

Adjustments for Capital Purposes

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from that receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Other Adjustments

Other Statutory Adjustments

Other statutory adjustments between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For Financing and investment income and expenditure the other statutory adjustments column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

Other Non-statutory Adjustments

Other non-statutory adjustments represent amounts debited/credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement:

- For financing and investment income and expenditure the other non-statutory adjustments column recognises adjustments to service segments, e.g. for interest income and expenditure and changes in the fair values of investment properties.
- For taxation and non-specific grant income and expenditure the other non-statutory adjustments column recognises adjustments to service segments, e.g. for unringfenced government grants.

Reconciliation of Adjustments between Funding Basis to Accounting Basis under Regulation

2023/24 £000		2024/25 £000
(25,037)	Adjustments between Accounting Basis and Funding Basis under Regulation as Reported in note 14	42,043
19,066	Movement in Earmarked Reserves (see note 29)	13,078
1,653	Movement in School Balances (see note 29)	1,874
(42)	Movement in Revenue Grants unapplied and Other Balances (see note 29)	38
167	Approved use of reserve	216
(4,193)	**Adjustments between Accounting Basis and Funding Basis under Regulation as Reported in EFA**	**57,249**

2. Segmental Income

Within the Net Expenditure Chargeable to the General Fund Balance are items of income which have been credited to services areas, including service specific grants and sales, fees and charges.

2023/24 £000		2024/25 £000
44,890	Adult Social Care	48,890
14,369	Children's Safeguarding & Family Support	14,394
39	Corporate Communications	41
20,671	Council Wide	23,355
145,878	Education & Skills	153,989
7,889	Finance, People & IDT	7,341
10,487	Health & Wellbeing	10,862
78,028	Housing, Customer & Commercial Services	80,936
12,914	Neighbourhood & Enforcement Services	13,965
2,392	Policy & Governance	3,121
22,325	Prosperity & Investment	22,520
360,400	**Net Cost of Services**	**379,414**

2024/25
CORE FINANCIAL STATEMENTS
AND
ACCOMPANYING NOTES

Comprehensive Income and Expenditure Account

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Expenditure & Funding Analysis.

SERVICE	2023/24 Restated			2024/25		
	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000
Adult Social Care	116,876	44,890	71,986	124,312	48,890	75,422
Children's Safeguarding & Family Support	60,413	14,369	46,044	59,696	14,394	45,302
Corporate Communications	895	39	856	823	41	782
Council Wide	9,098	20,671	(11,573)	15,010	23,355	(8,345)
Education & Skills	154,179	146,396	7,783	193,277	153,989	39,288
Finance, People & IDT	31,574	7,889	23,685	23,257	7,341	15,916
Health & Wellbeing	10,873	10,487	386	11,423	10,862	561
Housing, Customer & Commercial Services	83,154	78,028	5,126	83,555	80,936	2,619
Neighbourhood & Enforcement Services	45,933	12,914	33,019	47,081	13,965	33,116
Policy & Governance	8,318	2,392	5,926	8,480	3,121	5,359
Prosperity & Investment	28,478	22,325	6,153	61,637	22,520	39,117
Net Cost of Services	**549,791**	**360,400**	**189,391**	**628,551**	**379,414**	**249,137**
Other Operating Expenditure (Note 7)			4,548			3,989
Financing and Investment Income and Expenditure (Note 8)			14,129			11,085
Taxation & Non-Specific Grant Income and Expenditure (Note 9)			(212,276)			(207,053)
(Surplus) or deficit on provision of services			**(4,208)**			**57,158**
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			14,849			(10,765)
(Surplus) or deficit on revaluation of Available for Sale financial assets			0			0
Re-measurements of the net defined benefit pension liability (Note 12)			(72,655)			(1,046)
Other Comprehensive Income & Expenditure			**(57,806)**			**(11,811)**
Total Comprehensive Income and Expenditure			**(62,014)**			**45,347**

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'useable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes.

	General Fund Balance & Reserves	Capital Grants Unapplied	Total Useable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2023 carried forward	**115,927**	**12,750**	**128,677**	**231,547**	**360,224**
Total Comprehensive Income and Expenditure Surplus / (Deficit)	4,208	0	**4,208**	57,806	**62,014**
Adjustments between accounting basis & funding basis under regulations (Note 14)	(25,037)	14,854	**(10,183)**	10,183	**0**
Increase/ (Decrease) in 2023/24	**(20,829)**	**14,854**	**(5,975)**	**67,989**	**62,014**
Balance at 31 March 2024 carried forward	**95,098**	**27,604**	**122,702**	**299,534**	**422,236**
Total Comprehensive Income and Expenditure Surplus / (Deficit)	(57,158)	0	**(57,158)**	11,811	**(45,347)**
Adjustments between accounting basis & funding basis under regulations (Note 14)	42,043	398	**42,441**	(42,441)	**0**
Increase/ (Decrease) in 2024/25	**(15,115)**	**398**	**(14,717)**	**(30,630)**	**(45,347)**
Balance at 31 March 2025 carried forward	**79,235**	**28,002**	**107,985**	**268,904**	**376,889**

It should be noted that of the total useable reserves, £107.985m, only £4.444m is uncommitted general fund balances. The remainder includes earmarked reserves and school balances, see note 29 and 30. There are also unusable reserves see note 31.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are useable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line Adjustments between accounting basis and funding basis under regulations.

31 March 2024 £000		Notes	31 March 2025 £000
755,984	Property, Plant & Equipment	15a	748,377
0	Right of Use Assets	48	11,932
46,575	Investment Property	15b	48,763
6,527	Intangible Assets	17	7,887
22,200	Long Term Investments	21,22,24	27,300
50,949	Long Term Debtors	21	63,119
882,235	**Long Term Assets**		**907,378**
252	Inventories		230
58,994	Debtors	23	58,768
1,544	Assets Held for Sale	18	1,536
17,989	Cash and Cash Equivalents	25	22,173
78,779	**Current Assets**		**82,707**
(3,125)	Provisions	26	(2,187)
(134,232)	Short term Borrowing	21,22	(187,257)
(102,834)	Creditors	27	(103,818)
(240,191)	**Current Liabilities**		**(293,262)**
(161,412)	**Net Current Assets/(Liabilities)**		**(210,555)**
(237,092)	Long Term Borrowing	21,22	(247,646)
(40,685)	Long Term Creditors (PFI & Finance Leases)	21,28	(54,282)
(17,389)	Pensions Liability	12	(14,353)
(3,421)	Capital Grants Receipts in Advance	41	(3,653)
(298,587)	**Long Term Liabilities**		**(319,934)**
422,236	**Net Assets/(Liabilities)**		**376,889**
122,702	Useable Reserves	29,30	107,985
299,534	Unusable Reserves	31	268,904
422,236	**Net Reserves**		**376,889**

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2023/24 £000		2024/25 £000
(4,208)	Net (surplus) or deficit on the provision of services	57,158
(28,767)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 36)	(53,321)
45,118	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 37)	42,923
12,143	**Net cash flows from Operating Activities**	**46,760**
29,651	Investing Activities (Note 38)	15,998
(21,163)	Financing Activities (Note 39)	(66,942)
20,631	**Net (increase) or decrease in cash and cash equivalents**	**(4,184)**
38,620	Cash and cash equivalents at the beginning of the reporting period	**17,989**
17,989	Cash and cash equivalents at the end of the reporting period (Note 25)	**22,173**

Notes to the Core Financial Statements

1. Accounting Policies

a) General

The accounts have been prepared in keeping with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (COP), based on International Financial Reporting Standards (IFRS), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). This is supported by a number of detailed accounting recommendations including interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and interpretations of the Standing Interpretations Committee (SIC). They are further supplemented by International Public Sector Accounting Standards (IPSAS).

b) Concepts

These accounts have been prepared in accordance with the all-pervading concepts of accruals and going concern, together with comparability, verifiability, timeliness, understanding of and primacy of legal requirements as set out in the COP. Under the going concern concept, although the Council has net current liabilities of £210.6m, it is a going concern as the Council has access to Public Works Loan Board borrowing and future Council Tax revenues. (See Note 22 for detail on interest rate risk). Local Authorities can only be discontinued under statute.

c) Accruals of Expenditure & Income

The revenue accounts of the Council are maintained on an accrual's basis in accordance with the Code of Practice, IAS 18 and IFRS 15. That is, sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year. In particular,

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract. Revenue is measured as the amount of the transaction price which is allocated to that performance obligation.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for income not collected.

Revenue relating to Council Tax and Business Rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions.

d) Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

Investments that are short-term are defined as highly liquid investments held at the Balance Sheet date that are readily convertible to known amounts of cash on the Balance Sheet date, and which are subject to an insignificant risk of changes in value. Under this definition investments held in call accounts would count as cash equivalents but fixed term investments and investments in notice accounts would not, as they are not readily convertible to cash.

e) Contingent Asset

A contingent asset is a possible asset that arises for a past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council. The Council does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

f) Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Council or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Council does not recognise a contingent liability but discloses its existence in the financial statements.

g) Employee Benefits

The accounting arrangements for Employee Benefits are covered by IAS 19. The objective of IAS 19 is to prescribe the accounting and disclosure for employee benefits (that is, all forms of consideration given by an entity in exchange for service rendered by employees). The principle underlying all of the detailed requirements of the Standard is that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

The areas of remuneration that relate to the Council are as follows:

- Salaries and Wages
- Compensated Absences (paid annual leave and sick leave)
- Pensions Benefits
- Termination Benefits

Salaries and Wages

The amount of salary or wage earned by an employee will be recognised in the financial year to which it relates.

Compensated Absences

The expected cost of short-term compensated absences should be recognised as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur.

In relation to annual leave and time off in lieu an estimation of the value of any untaken annual leave and the time off in lieu position at the end of the financial year will be undertaken and an appropriate amount included in the accounts. Sick leave is non accumulating and is accounted for when absences occur.

Pensions Benefits

The Council participates in three formal pension schemes, the Local Government Pension Scheme, which is administered by Shropshire County Pension Fund, the National Health Service (NHS) Pension Scheme, administered by NHS Pensions and the Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).

Under International Accounting Standards and accounting Code requirements, the Council recognises the cost of post-employment benefits in the reported cost of services when they are earned by employees, rather than when benefits are eventually paid as pensions. For the Local Government Pension Scheme, these costs are provided by the fund actuaries and are included as a cost in the financial statements. However, statutory provision requires that the General Fund Balance is charged with the amount payable by the Council and not the amount calculated according to the accounting standard, therefore compensating entries are posted through the Movement in Reserves Statement which result in the General Fund Balance not being impacted by future pension liabilities.

Arrangements for the Teachers' scheme and the NHS Scheme mean that liabilities for future benefits cannot be separately identified for the Council and no liability for future payments of benefits is therefore recognised in the financial statements for these, and the employer's contribution is charged to the CIES in the year.

See Notes 11, 12 and 13.

In accordance with International Accounting Standard No 19 – *Employee Benefits* (IAS 19) disclosures and transactions in relation to the assets, liabilities, income and expenditure related to pension schemes for employees are required. Valuation methods are in compliance with the 2024/25 COP. The information is only necessary in relation to the Local Government Pension Scheme, as it is not possible to identify any Authority's share of the assets and liabilities under the Teachers' scheme or the National Health Service scheme.

The age profile of this Council's Local Government Pension Scheme is not currently rising significantly, so we should not see the current liabilities of the scheme rising significantly as the members approach retirement.

Termination Benefits

Any termination benefits awarded during the financial year will be included in the Comprehensive Income and Expenditure Statement in that year. Where the amount has not been paid at the balance sheet date, a provision will be created in the accounts for that year.

h) Events After the Reporting Period

Where a material post balance sheet event occurs which

- Provides additional evidence relating to conditions existing at the balance sheet date; or
- Indicates that application of the going concern concept to a material part of the Authority is not appropriate.

Changes will be made in the amounts to be included in the statement of accounts or disclosed in a note.

i) Exceptional Items and Prior Period Adjustments

Exceptional items are material items which derive from events or transactions that fall within the ordinary activities of the authority, and which need to be disclosed separately by virtue of their size or incidence if the financial statements are to give a true and fair view.

Prior Period Adjustments relate to corrections of errors in the financial statements of prior periods, retrospective adjustments resulting from changes to accounting policy or adoption of new accounting treatments. The correct accounting treatment for prior period adjustments for a comparative financial statement is to restate the amount to be adjusted and show the impact on the accounts.

j) Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and

- fair value through other comprehensive income (FVOCI)

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost; except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

- Financial Assets Measured at Amortised Cost

  Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

  However, the authority has made three loans to local organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

  Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

  Any gains and losses that arise from the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

- Expected Credit Loss Model

  The authority recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

  Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

- Financial Assets Measured at Fair Value through Profit & Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise from the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

k) Government Grants and Other Contributions

The accounting treatment of transactions within the Authority's financial statements have been determined following the general principal of whether the Authority is acting as the Principal or Agent. Where the Authority is acting as Principal, i.e. acting on its own behalf, transactions have been included in the Authority's financial statements. Where the Authority is acting as Agent, i.e. acting as an intermediary, transactions have not been reflected in the Authority's financial statements, with the exception of cash collected or expenditure incurred by the agent on behalf of the principal in which case there is a debtor / creditor position included in financing activities in the cashflow statement.

Where the acquisition of a fixed asset is financed either wholly or in part by a Government grant or other contribution, the amount of the grant or contribution is recognised in the comprehensive income and expenditure statement (CIES) unless there is an outstanding condition, where it is transferred to capital grant receipts in advance until the condition is met or the grant is returned. Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

l) Property, Plant & Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The authority capitalises interest costs relating to assets under construction, but only during the construction phase of the scheme. A threshold of £1m is applied to this policy i.e. interest will only be capitalised for programme items where prudential borrowing exceeds £1m in year.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the capital adjustment account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings – current value, determined using the basis of existing use value for social housing (EUV–SH)
- council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV), except for a few offices that are situated close to the council's housing properties, where there is no market for office accommodation, and that are measured at depreciated replacement cost (instant build) as an estimate of current value
- school buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Deprecation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset.

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the revaluation reserve to the capital adjustment account.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the revaluation reserve to the General Fund.

Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services.

Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale; and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.

The balance of receipts remains within the capital receipts reserve and can then only be used for new capital investment or set aside to reduce the authority’s underlying need to borrow (the capital financing requirement) (England and Wales). Receipts are appropriated to the reserve from the General Fund balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

As at 31st March 2025 there were 10 significant capital contracts in place with commitments into future years. This commitment totalled £41.476m and are detailed in Note 15.

m) Highways Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably.

Measurement

Highways infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis.

Disposals and derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the 'Other operating expenditure' line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

The written-off amounts of disposals are not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

See Note 15 regarding the temporary relief and statutory instrument which apply to this 2024/25 Statement of Accounts

n) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. It must be controlled by the Authority as a result of past events, and future economic benefits must be expected to flow from the intangible asset to the Authority. Usually within local authorities this relates to in house developed software.

o) Investment Properties

Investment property is property (land or a building – or part of a building – or both) solely to earn rentals or for capital appreciation or both, rather than for -

(a) Use in the production or supply of goods or services or for administrative purposes, or

(b) Sale in the ordinary course of operations.

If earning rentals were an outcome of a regeneration policy, for example, the properties concerned would be accounted for as property, plant and equipment rather than investment property.

p) Inventories and Long-Term Contracts

Stocks are valued in accordance with IAS 2 at current value with an allowance made for obsolescent and slow-moving items. Any long-term contracts in existence at 31 March are apportioned to the year in relation to when the work was carried out rather than the year in which the contract was completed.

q) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.
Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

A right of use asset and corresponding lease liability are recognised at commencement of the lease.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease.

Lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Council is reasonably certain to exercise; penalties for early termination if the lease term reflects the Council exercising a break option; and payments in an optional renewal period if the Council is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The right of use asset is tested for impairment if there are any indicators of impairment. Leases of low value assets (value when new less than £10,000) and short-term leases of 12 months or less are expensed to the Comprehensive Income and Expenditure Statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

The Council as Lessor

Operating Leases - Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

r) Interests in Companies and Other Entities

The Council has a wholly owned Company, NuPlace Ltd for the provision of market rented housing in the borough and is required to prepare Group Accounts. Group Accounts have been prepared on a line for line basis; accounting policies are aligned between NuPlace and the Council; and intra-group transactions have been eliminated. In the authority's own single-entity accounts, the interest of NuPlace is recorded as a financial asset at cost.

The Council is one of four constituent authorities for the West Mercia Energy purchasing consortium (WME). WME transactions are excluded from the Council's financial statements on the basis that they are not material to the fair presentation of the financial position of the Council. Note 55 shows an extract of WME's balance sheet at 31 March 2025.

s) Overheads

The revenue accounts for the various services include charges for the related support services. These are agreed annually and are based on agreed criteria. Support Services are allocated in line with CIPFA recommended practice. As the Code of Practice does not allow transactions between segments in the service analysis, internal recharges have been eliminated from gross income and gross expenditure in the Comprehensive Income and Expenditure Statement.

t) Private Finance Initiative

PFI contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. The Council has one PFI scheme which was entered into in March 2006 and is for the provision of school and leisure facilities at Hadley Learning Community and

Queensway for £289m. Hadley Learning Community Primary School and Secondary School along with Queensway North, which all form part of the PFI, converted to Academy Status during 2017/8 and as such these assets no longer appear on the Councils Balance Sheet.

IFRIC 12 Service Concession Arrangements requires the Council to assess the level of control each party has within the PFI contract. The result of this assessment is that the Council is deemed to control the services that are provided under its PFI scheme and as ownership of the property, plant and equipment will pass to the Council at the end of the contract for no additional charge, the Council carries on the Balance Sheet the property, plant and equipment used under the contracts.

An asset has been recognised and a long-term financial lease creditor created to reflect the asset in the accounts and recognise the commitment to make future payments to the operator.

The original recognition of this property, plant and equipment was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the assets. Property, plant and equipment recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

Amounts payable to PFI operators are analysed into five elements. Fair value for the services received in the year (debited to the appropriate service). Finance cost (debited to interest payable and similar charges). Contingent rent – increases in the amount to be paid for the property arising during the contract (debited to interest payable and similar charges). Payment toward liability (applied to write down the Balance Sheet liability towards the PFI operator). Lifecycle replacement costs (recognised as a fixed asset on the balance sheet for where the charge relates to council assets otherwise the charge is recognised as REFCUS).

u) Charges to Revenue in Respect of Property, Plant and Equipment

General fund service revenue accounts, central support services and statutory trading accounts are charged with a capital charge for all property, plant and equipment used in the provision of services. The total charge covers the annual provision for depreciation and impairments. Where there is sufficient balance in the Revaluation Reserve, impairments are charged there, otherwise they are charged to the Revenue Account. The aggregate charge to individual services is determined on the basis of the capital employed in each service.

v) Provisions

The Council sets aside provisions for specific future expenses which are likely, or certain, to be incurred, based on the best estimate available.

w) Reserves

The Council maintains certain reserves to meet general, rather than specific, future expenditure. The purpose of the Council's reserves is explained in Notes 29, 30 and 31.

The current system of capital accounting also requires the maintenance of two accounts in the balance sheet:

- the revaluation reserve, which represents principally the balance of the upward revaluations of property, plant and equipment and;
- the capital adjustment account, which represents amounts set aside from revenue resources or capital receipts to finance expenditure on property, plant

and equipment or for the repayment of external loans and certain other financing transactions.

x) Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Legislation allows some expenditure to be classed as capital for funding purposes when it does not result in an asset on the balance sheet, for example work on properties owned by another organisation. This is charged to the relevant service in the Comprehensive Income & Expenditure Account and then transferred via the Movement in Reserves Statement to the Capital Adjustment Account so that there is no impact on the General Fund balance.

y) Value Added Tax

Local Authorities pay VAT on purchases and charge VAT on supplies of goods and services. Usually, the amount of VAT paid on purchases is greater than that received for goods and services and the difference is reclaimed. The figures included in the statement of accounts exclude VAT except in infrequent circumstances where it is not reclaimable.

z) Direct Revenue Financing of Capital Expenditure

The Council is permitted by law to finance unlimited amounts of expenditure for capital purposes through its revenue accounts.

aa) Interest on Surplus Funds and Balances

All interest earned on surplus cash or funds and balances is taken to the General Fund, except appropriate interest that is credited to the school balances, section 106 agreements, commuted sums, insurance provision (Ex Shropshire Council) and certain Adult Social Care balances.

ab) Capital Receipts

Capital receipts from the disposal of assets are held in the useable capital receipts account until such time as they are used to finance other capital expenditure or to repay debt. During 2024/25, the Council funded £1.136m of expenditure in its Comprehensive Income and Expenditure Account from capital receipts under the Government's flexible use of capital receipts announced as part of the 2015 Spending Review.

ac) The Redemption of Debt

The Council makes provision for the repayment of debt in accordance with the Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008 and Explanatory Memorandum and Guidance.

The "Minimum Revenue Provision" (MRP) is calculated on the basis of the life of the asset and the ultimate funding of that asset. MRP is not charged until the year after the asset comes into operation.

ad) Estimation Techniques

Estimation techniques are methods adopted by the Authority to arrive at an estimated monetary amount, corresponding to the measurement bases selected for assets, liabilities, gains, losses and changes in reserves. An accounting policy will specify the basis on which an item is to be measured; where there is uncertainty over the monetary amount corresponding to that basis, the amount will be arrived at using an estimation technique.

ae) Heritage Assets

Heritage assets are held or maintained principally for their contribution to knowledge and culture. They are initially recognised at cost if this is available. If cost is not available, values are only included in the Balance Sheet where the cost of obtaining valuation is not disproportionate to the benefit derived. For the Council's heritage assets, no cost information is available and the cost of obtaining that value is disproportionate to the benefit.

A list of the Council's Heritage assets is included in Note 19.

The cost of maintenance and repair of heritage assets is written off in the year incurred.

af) Accounting for Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

The Council Tax income included in the Comprehensive Income & Expenditure Statement is the accrued income for the year, and not the amount required under regulation to be transferred from the Collection Fund to the General Fund (the Collection Fund Demand). The difference is taken to the Collection Fund Adjustment Account through the Movement in Reserves Statement.

As the collection of Council Tax for preceptors (the West Mercia Police and Crime Commissioner, and Shropshire & Wrekin Fire & Rescue Authority) is an agency arrangement, the cash collected belongs proportionately to Telford & Wrekin Council as the billing authority and to the preceptors. This gives rises to a debtor or creditor position for the difference between cash collected from taxpayers and cash paid to preceptors under regulation. The Balance Sheet also includes the authority's share of the year end balances relating to arrears, impairment allowances for doubtful debts and prepayments.

In relation to Non-Domestic Rates, Telford & Wrekin Council collects income due as an agency arrangement. As with council tax, the cash collected belongs proportionately to Telford & Wrekin Council as the billing authority, and to Central Government and Shropshire & Wrekin Fire & Rescue Authority as preceptors. This gives rise to a debtor or creditor position for the difference between cash collected from taxpayers and cash paid to preceptors under regulation. The Balance Sheet also includes the authority's share of the year end balances relating to arrears, impairment allowances for doubtful debts, appeals and prepayments.

ag) Accounting for Local Authority Maintained Schools

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance of control for local authority-maintained schools lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements of the authority as if there were transactions, cash flows and balances of the authority.

The Council recognises on balance sheet the non-current assets of schools where the Council legally owns the assets or where the school is in the legal ownership of a non-religious body, on the basis that they are the assets of the school and need to be consolidated in to the Council's accounts.

Schools in Telford & Wrekin are managed in a variety of ways including:

- Council Community Schools
- Voluntary Aided Schools
- Voluntary Controlled Schools
- Foundation Schools
- Academy Schools

The Council has reviewed each school on a case-by-case basis and considered the extent to which the Council has control over the school in respect to the employment of staff, governance arrangements, maintenance of the land and buildings and admissions, in order to assign them to one of the categories below:

- Community Schools – owned by the Council and therefore recognised on the balance sheet.
- Voluntary aided schools – a separate trustee has substantial influence and control over the voluntary aided school, and a governing body is appointed by the trustee to manage the school's operation and maintenance. Since the Council does not have substantial control over these schools the related assets are not consolidated in the balance sheet.
- Voluntary controlled schools – It is determined that the Council has substantial control over these schools since the Council determines the admission criteria and maintains the land and buildings. The assets relating to voluntary controlled schools are, therefore, consolidated in the balance sheet of the Council.
- Foundation schools – could either be owned by a separate trustee or by the school's Governing Body. Where the school is owned by a separate trust the schools' assets are not recognised on the Council's balance sheet, akin to Voluntary Aided schools. Where the schools is owned by Governing Body, the school assets are recognised on the Council's Balance Sheet.
- Academy schools – Academies are entirely separate entities to the Council and therefore the Council has no control over the operation of the school. Land and buildings are transferred to the academies through a standard 125-year peppercorn lease or through a free hold transfer. It is anticipated that these arrangements will continue and, therefore, substantially all associated risks and rewards of ownership are transferred. For academy schools the assets and liabilities are not consolidated into the Council's balance sheet and the non-current assets are derecognised.

2. Accounting Standards That Have Been Issued but Have Not Yet Been Adopted and Prior Period Adjustments

At the balance sheet date the following new standards and amendments to existing standards have been published and will be introduced by the 2025/26 Code of Practice of Local Authority Accounting in the United Kingdom and are disclosed below in accordance with the requirement of paragraph 3.3.4.3 of the Code:

a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability),

b) IFRS 17 Insurance contracts, and

c) Adaptions and interpretations of IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets.

It is likely there will be limited application of items a) and b), although authorities will need to consider their individual circumstances in case either of these standards apply.

Prior period adjustments

A reorganisation of the Councils Senior Management Team during the reporting period has led to a change in the segmental reporting associated with the Comprehensive Income & Expenditure Statement (CIES) and the Expenditure & Funding Statement (EFA). To make prior year comparators, both disclosures have been restated as follows:

CIES – Net Expenditure (EFA Net Expenditure in CIES)

	Original 2023/24 £000	Reorg. Impact £000	Restated 2023/24 £000
Adult Social Care	72,324	(338)	71,986
Children's Safeguarding & Family Support	45,882	162	46,044
Communities, Customer & Commercial Services	6,913	(6,913)	0
Corporate Communications	856	0	856
Council Wide	(13,511)	1,938	(11,573)
Education & Skills	7,783	0	7,783
Finance & Human Resources	18,422	(18,422)	0
Finance People & IDT	-	23,685	23,685
Health & Wellbeing	1,245	(859)	386
Housing, Employment & Infrastructure	5,539	(5,539)	0
Housing, Customer & Commercial Services	-	5,126	5,126
Neighbourhood & Enforcement Services	33,390	(371)	33,019
Policy & Governance	5,916	10	5,926
Prosperity & Investment	7,330	1,521	8,851
Net Cost of Service	**192,089**	**0**	**192,089**

EFA – Segmental Income

	Original 2023/24 £000	Reorg. Impact £000	Restated 2023/24 £000
Adult Social Care	45,030	(140)	44,890
Children's Safeguarding & Family Support	14,369	0	14,369
Communities, Customer & Commercial Services	78,594	(78,594)	0
Corporate Communications	39	0	39
Council Wide	20,671	0	20,671
Education & Skills	145,315	563	145,878
Finance & Human Resources	4,323	(4,323)	0
Finance People & IDT	-	7,889	7,889
Health & Wellbeing	10,534	(47)	10,487
Housing, Employment & Infrastructure	5,378	(5,378)	0
Housing, Customer & Commercial Services	-	78,546	78,546
Neighbourhood & Enforcement Services	13,463	(549)	12,914
Policy & Governance	1,348	1,044	2,392
Prosperity & Investment	21,336	989	22,325
Net Cost of Service	**360,400**	**0**	**360,400**

A review of the Councils Fixed Assets alongside the CIPFA Code of Practice, during the reporting period has concluded that several assets previously classified as Property Plant & Equipment align to the definition of Investment Property i.e. the reason for holding the assets as being held solely to earn rentals or for capital appreciation or both. As such these assets have been reclassified as Investment Property.

These reclassifications have impacted on previous years reported information in all the Primary Financial Statements and the Expenditure and Funding Analysis (EFA) which are re-presented below. The Code requires that the Balance Sheet for 2022/23 is also re-presented.

Prior Period Adjustments relating to 2022/23

Balance Sheet

	31 March 2023 £000	Reclassification of Investment Property to PPE £000	31 March 2023 Restated £000
Property, Plant & Equipment	780,181	(42,807)	737,374
Investment Property	0	42,807	42,807
Long Term Assets	849,830	0	849,830
Net Assets / (Liabilities)	**360,222**	**0**	**360,222**
Usable Reserves	128,677	0	128,677
Unusable Reserves	231,545	0	231,545
Net Reserve	**360,222**	**0**	**360,222**

Prior Period Adjustments relating to 2023/24

Expenditure and Funding Analysis

	2023/24				2024/25		
SERVICE	Net Expenditure Chargeable to the General Fund Balance £000	Adjustments Between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income & Expenditure Statement £000	Reclassification of PPE to Investment Property £000	Net Expenditure Chargeable to the General Fund Balance £000	Adjustments Between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income & Expenditure Statement £000
Adult Social Care	73,868	(1,882)	71,986	0	73,868	(1,882)	71,986
Children's Safeguarding & Family Support	49,921	(3,877)	46,044	0	49,921	(3,877)	46,044
Corporate Communications	(28)	884	856	0	(28)	884	856
Council Wide	(11,141)	(432)	(11,573)	0	(11,141)	(432)	(11,573)
Education & Skills	7,337	446	7,783	0	7,337	446	7,783
Finance, People & IDT	8	23,677	23,685	0	8	23,677	23,685
Health & WellBeing	43	343	386	0	43	343	386
Housing, Commercial & Customer Services	8,680	(1,734)	5,126	0	8,680	(1,734)	5,126
Neighbourhood & Enforcement Services	25,698	7,321	33,019	0	25,698	7,321	33,019
Policy & Governance	1,320	4,606	5,926	0	1,320	4,606	5,926
Prosperity & Investment	(7,486)	16,337	8,851	(2,698)	(7,486)	13,639	6,153
Net Cost of Services	**146,400**	**45,689**	**192,089**	**(2,698)**	**146,400**	**42,991**	**189,391**
Other Income & Expenditure	(146,415)	(47,184)	(193,599)	0	(146,415)	(47,184)	(193,599)
(Surplus) or Deficit	**(15)**	**(1,495)**	**(1,510)**	**(2,698)**	**(15)**	**(4,193)**	**(4,208)**
Opening General Fund Balance	4,721				4,721		
Surplus or (Deficit) for year	15				15		
Other approved uses	(167)				(167)		
Closing General Fund Balance	**4,569**				**4,569**		

Comprehensive Income & Expenditure Statement

SERVICE	2023/24 Gross Expenditure £000	2023/24 Income £000	2023/24 Net Expenditure £000	Reclassification of PPE to Investment Property £000	2023/24 Restated Gross Expenditure £000	2023/24 Restated Income £000	2023/24 Restated Net Expenditure £000
Adult Social Care	116,876	44,890	71,986		116,876	44,890	71,986
Children's Safeguarding & Family Support	60,413	14,369	46,044		60,413	14,369	46,044
Corporate Communications	895	39	856		895	39	856
Council Wide	9,098	20,671	(11,573)		9,098	20,671	(11,573)
Education & Skills	154,179	146,396	7,783		154,179	146,396	7,783
Finance, People & IDT	31,574	7,889	23,685		31,574	7,889	23,685
Health, Wellbeing & Commissioning	10,873	10,487	386		10,873	10,487	386
Housing, Commercial & Customer Services	83,154	78,028	5,126		83,154	78,028	5,126
Neighbourhood & Enforcement Services	45,933	12,914	33,019		45,933	12,914	33,019
Policy & Governance	8,318	2,392	5,926		8,318	2,392	5,926
Prosperity & Investment	31,176	22,325	8,851	(2,698)	28,478	22,325	6,153
Net Cost of Service	**552,489**	**360,400**	**192,089**	**(2,698)**	**549,791**	**360,400**	**189,391**
Other Operating Expenditure			4,548	0			4,548
Financing & Investment Income & Expenditure			14,129	0			14,129
Taxation & Non Specific Grant Income & Expenditure			(212,276)	0			(212,276)
(Surplus) or Deficit on Provision of Services			**(1,510)**	**(2,698)**			**(4,208)**
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			12,151	2,698			14,849
(Surplus) or deficit on revaluation of Available for Sale financial assets			0	0			0
Re-measurements of the net defined benefit pension liability			(72,655)	0			(72,655)
Other Comprehensive Income & Expenditure			**(60,504)**	**2,698**			**(57,806)**
Total Comprehensive Income and Expenditure			**(62,014)**	**0**			**(62,014)**

Movement in Reserves Statement

	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2023 Brought Forward	**128,677**	**231,547**	**360,224**
Total Comprehensive Income and Expenditure	1,510	60,504	**62,014**
Adjustments between accounting basis & funding basis under regulations (Note 14)	(7,485)	7,485	**0**
Increase/ (Decrease) in 2023/24	**(5,975)**	**67,989**	**62,014**
Balance at 31 March 2024 carried forward	**122,702**	**299,534**	**422,236**
Reclassification of PPE to Investment Property	2,698	(2,698)	**0**
Restatement of Total Comprehensive Income and Expenditure	4,208	57,806	**62,014**
Restatements of Adjustments between accounting basis & funding basis under regulations (Note 14)	(10,183)	10,183	**0**
Increase/ (Decrease) in 2023/24 Restated	**(5,975)**	**67,989**	**62,014**
Balance at 31 March 2024 carried forward Restated	**122,702**	**299,534**	**422,236**

Balance Sheet

	31 March 2024 £000	Reclassification of Investment Property to PPE £000	31 March 2024 Restated £000
Property, Plant & Equipment	802,559	(46,575)	755,984
Investment Property	0	46,575	46,575
Long Term Assets	882,235	0	882,235
Net Assets / (Liabilities)	**422,236**	**0**	**422,236**
Usable Reserves	122,702	0	122,702
Unusable Reserves	299,534	0	299,534
Net Reserve	**422,236**	**0**	**422,236**

Cash Flow Statement

	2023/24 £000	Reclassification PPE to Investment Property £000	2023/24 Restated £000
Net (surplus) or deficit on the provision of services	(1,510)	(2,698)	(4,208)
Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 36)	(32,000)	3,233	(28,767)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 37)	45,118	0	45,118
Net cash flows from Operating Activities	**11,608**	**535**	**12,143**
Investing Activities (Note 38)	30,186	(535)	29,651
Financing Activities (Note 39)	(21,163)	0	(21,163)
Net (increase) or decrease in cash and cash equivalents	**20,631**	**0**	**20,631**
Cash and cash equivalents at the beginning of the reporting period	**38,620**	**0**	**38,620**
Cash and cash equivalents at the end of the reporting period (Note 25)	**17,989**	**0**	**17,989**

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for Local Government. However, given levels of uncommitted reserves and the long track record of managing significant budget reductions and sound financial management, the Authority has determined that this uncertainty is not sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

- The Council has one PFI contract for the provision of school and leisure facilities at Hadley Learning Community and Queensway. Under the requirements of IFRIC 12, it has been determined that the arrangements is controlled by the Council and the accounting policy (Note 1(t)) relating to PFI schemes has been applied.

- West Mercia Energy – the Council has determined that the exclusion of WME's transactions from the Council's own accounts will not materially impact the fair presentation of the financial position and transactions of the Council and to the understanding of the Statement of Accounts by the reader. Note 55 provides details of the arrangement and an extract of the balance sheet of the West Mercia Energy Joint Committee.

- Pension Fund Liability – an actuarial evaluation of the Shropshire Local Government Pension Fund is undertaken every three years by the Fund actuary, Mercers, with annual updates in the intervening years. The methodology used is in line with IAS 19. Estimates of Pension Assets and Liabilities are sensitive to actuarial assumptions and can vary significantly based on changes to these assumptions.

- Recognition of Schools – the Council recognises the land and buildings used by schools in line with the provisions of the Codes of Practice. An assessment of the different schools operated has been undertaken to determine the accounting treatment (see Note 1(af) above).

- Revenue from contracts with service recipients (IFRS 15) – IFRS 15 requires the Council to recognise revenue only when its obligations are delivered and accepted by 'service recipients'. A service recipient is a party that has contracted with an authority to obtain goods or services that are an output of the authority's normal operating activities in exchange for consideration.

  Any delay between receipt of income and performance of obligations is considered to be minimal and below the materiality limit for qualifying, non-statutory services.

  Where payments are received in advance of the Council fully discharging its obligations, for example in relation to planning fees or registration fees, these are appropriately recognised in the correct year through applying the accruals policy.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings and equipment would increase by £2.3m for every year that useful lives had to be reduced.
Property, Plant and Equipment	The war in Ukraine continues to affect the global markets. 2023 has also seen a significant escalation of events in the Middle East, thus impacting on the global markets and creating the subsequent transport issues through the Red Sea and Suez Canal, increasing	A 1% movement on the valuation of Land & Buildings equates to +/- £4.9m

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	prices and lead in times for the supply of goods including building materials. The pressures on inflation in the UK are slowing down, as the rate of these price increases fall. The UK entered recession for a short period at the end of 2023 and economic growth remains weak, with rising unemployment levels. Interest rates appear to have stabilised, and the rate of inflation is moving in the downward direction. Investors remain cautious due to the overall economic uncertainty. Demand continues to be strong for rental accommodation, and although rental levels are expected to rise, this is expected to be at a much slower rate. The strong demand for online shopping continues, and although there has been a shift back to physical retail activity, this remains a mixed picture. There is the expectation that real incomes will continue to fall with costs still rising, and as fixed mortgage rates end, households will be required to adjust to the higher interest rates. Modern Methods of Construction (MMC) is encouraged nationally and accords with the governments thinking on the efficiency and modernisation of construction sites. It has not been seen in Telford to any great extent due to the costs involved in using it on residential sites. Larger Homes England sites include MMC and requirements to build at a specified pace within their tenders; bids are offered taking this into account. WMCA have agreed to push forward with the promotion of MMC for the region and only time will tell how costs and timescales are affected by Brexit and other ongoing factors. Telford has always had a strong manufacturing base and is a thriving hub for business, with growth rates consistently higher than the West Midlands for new business and job creation. However, consumer demand is currently uncertain due to the impact of higher costs, and the rate of	

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	unemployment has risen both nationally and locally, with a reduction in the number of vacancies overall. Although maintaining the trend, unemployment rates are lower in Telford & Wrekin than across the wider West Midlands.	
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effects on the net pension's liability of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumption would result in an increase in the pension surplus, before the ceiling impact of £44.8m. However, the assumptions interact in complex ways. Asset values included in the 2024/25 accounting figures equates to £32.7m of the property fund assets attributable to the Council. If these asset valuations were overstated by 10% this would have a £3.3m impact on the net pension liability.
Arrears	At 31 March 2025, the Authority had a balance of £66.0m for sundry debtors. The Council has set aside a bad debts provision of £7.25m (11.0%) in relation to these. It is our view that this level of provision is sufficient. The potential ongoing impact of the Cost-of-Living crisis has created uncertainly around future collection rates. However, it is not possible to predict the long-term implications.	If collection rates were to deteriorate, an increase in bad debt of 5% would require an additional £3.3m to be set aside in the provision.
Single Status	Single Status is a national pay and conditions agreement for staff employed under NJC terms and conditions, who form a significant proportion of the Council's workforce. The agreement is effective from 1st April 2007, however the process is not yet complete, and it has been necessary to include a reserve which has been set aside for any potential costs.	The costs in relation to the scheme could be lower or higher than the sum provided. If the costs are higher than the reserve, then there will be an impact on general fund balances and future Council Tax increases. 1% of the earmarked reserve in relation to General Fund is £0.089m

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

5. Events After the Reporting Period

The audited Statement of Accounts were authorised for issue by the Director: Finance, People & IDT on [insert date].

6. Disclosure of Deployment of Dedicated Schools Grant and Dedicated Schools Grant Unusable Reserve

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations 2011. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2024/25 are as follows:

	Central Expenditure £000	Individual Schools Budget £000	Total £000
Final DSG for 2024/25 before Academy & High Needs Recoupment			225,157
Academy & High Needs figure recouped for 2024/25			(101,492)
Total DSG after Academy & High Needs recoupment for 2024/25			**123,665**
Plus: Brought forward from Prior Year			0
Agreed Budgeted Distribution in 2024/25	**30,337**	**93,328**	**123,665**
In Year Adjustments	0	(427)	(427)
Final Budget Distribution for 2024/25	**30,337**	**92,901**	**123,238**
Less: Actual Central Expenditure	(33,745)		(33,745)
Less: Actual ISB deployed to Schools		(92,332)	(92,332)
In Year Carry Forward to 2024/25	**(3,408)**	**569**	**(2,839)**
Plus: Carry Forward to 2024/25 agreed in advance	0	0	0
Carry Forward to 2025/26			**(2,839)**
DSG unusable reserve at the end of 2023/24			**(1,823)**
Addition to DSG unusable reserve at the end of 2024/25			(2,839)
Total of DSG unusable reserve at the end of 2024/25			**(4,662)**
Net DSG Position at the end of 2024/25			**(4,662)**

The DSG Unusable Reserve will only show a balance when there is an overall deficit at the end of the accounting period. For further information on the DSG Unusable Reserve, please see Note 31.

7. Other Operating Expenditure

2023/24 £000		2024/25 £000
5,311	Parish Council Precepts	6,139
66	Payment of RSG to Parishes	33
0	(Gains)/losses on the disposal of non-current assets – Academies and Trust Schools	0
(829)	(Gains)/losses on the disposal of non-current assets – Other Assets	(2,183)
4,548	**Total**	**3,989**

8. Financing and Investment Income and Expenditure

2023/24 £000		2024/25 £000
13,552	Interest payable and similar charges	17,274
(2,787)	Interest receivable and similar income	(3,490)
3,364	Pensions interest cost and expected return on pensions assets	356
0	Income & expenditure in relation to Investment Property and changes in Fair Value	(3,055)
14,129	**Total**	**11,085**

9. Taxation and Non-Specific Grant Income and Expenditure

2023/24 £000		2024/25 £000
(86,613)	Council tax income	(93,748)
(1,127)	Collection Fund (Surplus)/Deficit	(1,416)
(37,421)	Non-Domestic Business Rates	(39,080)
(5,687)	Non-Domestic Business Rates Top Up Grant	(5,988)
(11,623)	Revenue Support Grant	(12,393)
(11,684)	Section 31 Grant	(13,290)
(58,121)	Capital Grants and Contributions	(41,138)
(212,276)	**Total**	**(207,053)**

10. Expenditure and Income Analysed by Nature

2023/24 £000		2024/25 £000
	Expenditure	
202,678	Employee benefits expenses	199,433
326,164	Other services benefits	369,719
27,009	Depreciation, amortisation and impairment	63,817
15,736	Interest Payments	19,531
5,377	Precepts and levies	6,172
(829)	Gains / (losses) on disposal of assets	(2,183)
576,135	**Expenditure Total**	**656,489**
	Income	
(78,885)	Fees, charges and other service income	(90,170)
(4,989)	Interest & investment income	(5,769)
(130,848)	Income from Council Tax & NDR	(140,232)
(362,923)	Government Grants and other contributions	(363,160)
(577,645)	**Income Total**	**(599,331)**

2023/24 £000		2024/25 £000
(1,510)	**(Surplus) / Deficit on the Provision of Services**	**57,158**

Revenue from Contracts with Service Recipients

IFRS 15 requires the Council to recognise revenue only when its obligations are delivered and accepted by 'service recipients'. A service recipient is a party that has contracted with an authority to obtain goods or services that are an output of the authority's normal operating activities in exchange for consideration.

Any delay between receipt of income and performance of obligations is considered to be minimal and below the materiality limit for qualifying, non-statutory services.

Where payments are received in advance of the Council fully discharging its obligations, for example in relation to planning fees or registration fees, these are appropriately recognised in the correct year through applying the accruals policy.

11. Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the council has a commitment to fund payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in three formal Pension Schemes:

- The Local Government Pension Scheme, administered by Shropshire County Pension Fund
- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department of Education
- The NHS Pension Scheme, administered by NHS Pensions

12. Defined Benefit Pension Schemes Participation in Pension Schemes

The Local Government Pension Scheme is a Defined Benefit Scheme and as such falls under IAS 19 and has resulted in transactions impacting on the Income and Expenditure Account.

The cost of retirement benefits are recognised in the reported Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However the charge required against council tax is the cash paid in the year, so the cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

In accordance with International Accounting Standard No 19 – *Employee Benefits* (IAS 19) the Council is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees. Further information is contained in Note 1(g) of the Accounting Policies.

The Council's position in the Local Government Pension Scheme has improved by £114.4m over 2024/25, from a deficit of £17.4m to a surplus of £97.0m. This is mainly due to a large reduction in liabilities, which in turn was driven mainly by a change in assumptions over the year reflecting market conditions at the year-end. There was an increase of 1.0% in the discount rate (essentially the assumed future investment return) which caused a gain of £107.4m. Additionally, there was a gain of £2.3m due to changes in demographic assumptions used and a further £2.5m gain due to better than assumed investment performance (with a further gain of £2.2m due to other minor factors).

However, the accounting requirements limit the value of any surplus that can be recognised in the accounts. This is based on a comparison of the cost of providing benefits earned in future (assessed using the accounting assumptions) with the current certified Pension Fund contributions. As the cost of future benefits on the accounting assumptions is lower than the corresponding contributions the Council is required to pay, no surplus can be recognised. Additionally, the Council's certified deficit contributions (coupled with certain additional benefits) mean that a deficit of £14.3m must be recognised.

Note that the financial assumptions are based on bond yields at the accounting date in line with the accounting requirements. In particular, the accounting discount rate has to be based on corporate bond yields and so is quite different to the Fund's ongoing funding assumptions (which are based on the expected returns on the Fund's actual asset holdings – the Fund invests relatively little in corporate bonds in practice). The accounting figures do not affect contributions payable to the Fund, which are based on the funding assumptions and strategy adopted for the actuarial valuation.

The Superannuation Act 1972 provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The weighted average duration of the defined benefit obligation for scheme members is 18 years. (18 years 2023/24).

The estimated contributions expected to be paid into the Local Government Pension Scheme next year are £18.895m. The contribution rate was set for 2025/26 at 17.2% (2024/25 17.2%), plus a lump sum. The combined rate for 2025/26 is estimated at 18.8%.

Actuarial Gains and Losses are recognised immediately through Other Comprehensive Income. As at the 31st March 2025 the cumulative amount of actuarial gain recognised in the statements is £168.14m.

The Council's assets and liabilities related to the Local Government Pension Scheme operated by Shropshire Council amounted to:

2023/24 £000		2024/25 £000
(726,831)	Present Value of Funded Benefit Obligations	(645,674)
(6,086)	Present Value of Unfunded Benefit Obligations	(5,371)
(732,917)	**Total Present Value of Benefit Obligations**	**(651,045)**
715,528	Fair Value of Pension Fund Assets	748,083
0	Adjustment for Asset Ceiling Calculation 2024/25	(111,391)
(17,389)	**Surplus/(Deficit)**	**(14,353)**

Change in Benefit Obligation during year

2023/24 £000		2024/25 £000
(728,722)	Benefit Obligation at Beginning of Year	(732,917)
(16,989)	Current Service Cost	(15,740)
(34,461)	Interest on Pension Liabilities	(35,339)
(6,309)	Member Contributions	(6,266)
26,493	Re-measurements (Liabilities)	109,961
(32)	Past Service Costs	(124)
(813)	Curtailment Cost	(351)
27,916	Benefits / Transfers Paid	29,731
(732,917)	**Benefit Obligation at End of Year**	**(651,045)**

Change in Plan Assets during year

2023/24 £000		2024/25 £000
642,228	Fair Value of Plan Assets at Beginning of Year	715,528
31,097	Expected Return on Plan Assets	34,983
46,162	Re-measurements (Assets)	2,476
18,451	Employer Contributions	19,366
6,309	Member Contributions	6,266
(803)	Administration Expenses	(805)
(27,916)	Benefits / Transfers Paid	(29,731)
715,528	**Plan Assets at End of Year**	**748,083**

Assets are valued at fair value, principally market value for investments, and consist of:

2023/24			2024/25	
£000	%		£000	%
404,560	56.5	Equity Investments	440,995	58.9
104,395	14.6	Government Bonds	100,543	13.4
0	0.0	Other Bonds	0	0.0
25,187	3.5	Property	32,691	4.4
10,017	1.4	Cash/Liquidity	4,937	0.7
171,369	24.0	Other	168,917	22.6
715,528	**100.0**	**Total**	**748,083**	**100.0**

The expected rate of return on assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The expected returns are adjusted for risk and are appropriate to each of the asset classes weighted by the proportion of the assets in the particular asset class.

Liabilities are calculated using the Projected Unit method of Valuation, which assesses the future benefit cashflows for the employer's membership which are estimated until the death of the last member and then discounted to the accounting date. This is done using accounting assumptions.

The last valuation was undertaken at 31 March 2022 and was implemented in April 2023.

The main assumptions used in the calculations are:

2023/24		2024/25
2.6%	- rate of inflation (CPI)	2.6%
3.9%	- rate of increase in salaries	3.9%
2.7%	- rate of increase in pensions	2.8%
50.0%	- proportion of employees opting to take a commuted lump sum	50.0%
4.9%	- rate for discounting scheme liabilities	5.9%
	- longevity at 65 for current pensioners	
21.8	Male	21.8
24.2	Female	24.3
	- longevity at 65 for future pensioners	
23.1	Male	23.1
26.0	Female	26.0

Changes to the pension scheme permit employees retiring on or after 6th April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. On the advice of our actuaries we have assumed that 50% of employees retiring will take maximum cash and 50% will take 3/80ths cash.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

Sensitivity Analysis as at 31st March 2025

Disclosure Item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
	£000	+0.5%p.a. discount rate £000	+0.25% p.a. inflation/ pensions £000	+0.25% p.a. pay growth £000	1 year increase in life expectancy £000	+/-1% change in 2024/25 investment returns £000	£000
Liabilities	651,045	606,219	674,686	654,562	664,135	651,045	651,045
Assets	(748,083)	(748,083)	(748,083)	(748,083)	(748,083)	(755,548)	(740,618)
Deficit / (Surplus)*	**(97,038)**	**(141,864)**	**(73,397)**	**(93,521)**	**(83,948)**	**(104,503)**	**(89,573)**
Projected Service Cost for next year	11,254	9,485	12,224	11,254	11,539	11,254	11,254
Projected Net Interest Cost for next year	(6,283)	(9,684)	(4,871)	(6,058)	(5,493)	(6,724)	(5,843)

*Deficit / (Surplus) excludes the impact of the Asset Ceiling Calculation.

Pensions Asset / Liability Account

2023/24 £000		2024/25 £000
(86,494)	Opening Balance	(17,389)
(845)	Past Service Cost - Added Years	(475)
(16,989)	Current Service Cost	(15,740)
(34,461)	Interest Cost	(35,339)

2023/24 £000		2024/25 £000
31,097	Return On Assets	34,983
18,451	Payments to Pension Fund	19,366
(803)	Administration Expenses	(805)
72,655	Actuarial Gain or (Loss)	112,437
0	Adjustment for Asset Ceiling 2024/25*	(111,391)
(17,389)	**Closing Balance**	**(14,353)**

Pensions Reserve

2023/24 £000		2024/25 £000
86,494	Opening Balance	17,389
845	Past Service Cost - Added Years	475
(18,451)	Charging Pensions Costs Payable	(19,366)
21,156	Reversing Out IAS 19 Items	16,901
(72,655)	Actuarial (Gain) or Loss	(112,437)
0	Adjustment for Asset Ceiling 2024/25*	111,391
17,389	**Closing Balance**	**14,353**

* Under IFRIC14, an asset ceiling limits the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan. An adjustment has been made in the accounts to apply this asset ceiling, as calculated by the actuary, as the year end results showed a net asset in the pension scheme.

The remeasurement of the net defined liability recognised in Other Comprehensive Income and Expenditure resulted in a net charge of £1.046m as at 31 March 2025 once the asset ceiling adjustments have been included.

Pension Guarantees

The Council has guaranteed to cover the liabilities associated with the pensions of ex-employees following the transfers of council services to external bodies. These guarantees are partially covered by Bonds. These arrangements are monitored and assessed to ensure that any provision for possible liabilities is made. Following this assessment, it is not considered to be necessary to include any costs associated with these guarantees within 2024/25 accounts.

Risk Management

Shropshire Council, the administering body, has a formal risk management strategy and risk registers for Pension Fund Investment, Investment Pooling and Pension Administration within their overall Pension Strategy. A summary of the Pension Fund's key risks can be found in the Pension Fund Annual report. The Shropshire County Pension Fund uses a number of techniques to manage risks within the Fund. The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities. Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price, currency and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows.

13. Pensions Schemes Accounted for as Defined Contribution Schemes

The Teachers' and NHS Pension Schemes are technically Defined Benefits Schemes. However, the Schemes are unfunded, and the Department for Education and NHS use a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Authority is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, these are therefore accounted for on the same basis as a defined contribution scheme.

Teachers Pensions Authority

In 2024/25 the Council paid an employer's contribution of £10,165,314 (£9,079,523 in 2023/24), representing 23.68% (23.68% in 2023/24) of Teachers' pensionable pay, into the Teachers' Pension Authority. The scheme provides members with defined benefits related to pay and service. Contributions are set at rates determined by the Secretary of State, taking advice from the Scheme's Actuary. Changes from the most recent valuation, which was due to be undertaken in 2020 were implemented from April 2024.

National Health Service Pension Scheme

In 2024/25 the Council paid an employer's contribution of £14,920 (£26,510 in 2023/24) representing 14.38% (14.38% in 2023/24) of pensionable pay into the NHS Pension Scheme. The scheme provides members with defined benefits related to pay and service. The contribution rate is determined by the Fund's Actuary based on quadrennial actuarial valuations; the results of the latest valuation were implemented in April 2024. Under Pension Regulations, contribution rates are set to meet 100% of the overall liabilities of the fund. This relates to Public Health which transferred to the Council on 1 April 2013.

14. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. The adjustments affect General Fund Balances and Reserves, Capital Receipts and Capital Grants Unapplied.

2024/25	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets	63,817	0	0	(63,817)
Movement in the market value of Investment Properties	0	0	0	0
Revenue expenditure funded from capital under statute	27,810	0	0	(27,810)

2024/25	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	0	0
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment	(5,207)	0	0	5,207
Adjustment primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(41,138)	0	41,138	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(40,740)	40,740
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(2,183)	2,183	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(2,183)	0	2,183
Adjustments primarily involving the Deferred Capital Receipts Reserve:				
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	0	0
Adjustment primarily involving the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(280)	0	0	280
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 12)	17,376	0	0	(17,376)
Employer's pensions contributions and direct payments to pensioners payable in the year	(19,366)	0	0	19,366

2024/25	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Adjustments primarily involving the Collection Fund Adjustment Account:				
Amount by which council tax and non-domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rate income calculated for the year in accordance with statutory requirements	(2,065)	0	0	2,065
Adjustments primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	440	0	0	(440)
Adjustments primarily involving the Dedicated Schools Grant				
Amount by which the Council must not charge Dedicated Schools Grant deficits to the Comprehensive Income and Expenditure Statement	2,839	0	0	(2,839)
Total Adjustments	**42,043**	**0**	**398**	**(42,441)**

Comparative Movements in 2023/24:

2023/24	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets	24,312	0	0	(24,312)
Movement in the market value of Investment Properties	0	0	0	0
Revenue expenditure funded from capital under statute	12,128	0	0	(12,128)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,023	0	0	(1,023)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment	(4,363)	0	0	4,363

2023/24	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Adjustment primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(58,121)	0	58,121	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(43,267)	43,267
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,852)	1,852	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(1,852)	0	1,852
Adjustments primarily involving the Deferred Capital Receipts Reserve:				
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0	0	0
Adjustment primarily involving the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(231)	0	0	231
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 12)	22,001	0	0	(22,001)
Employer's pensions contributions and direct payments to pensioners payable in the year	(18,451)	0	0	18,451
Adjustments primarily involving the Collection Fund Adjustment Account:				
Amount by which council tax and non-domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rate income calculated for the year in accordance with statutory requirements	(2,360)	0	0	2,360

2023/24	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Adjustments primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(946)	0	0	946
Adjustments primarily involving the Dedicated Schools Grant				
Amount by which the Council must not charge Dedicated Schools Grant deficits to the Comprehensive Income and Expenditure Statement	1,823	0	0	(1,823)
Total Adjustments	**(25,037)**	**0**	**14,854**	**10,183**

15a. Property, Plant & Equipment

Movements in 2024/25:

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Gross Book Value Brought Forward	**499,746**	**41,951**	**31,955**	**0**	**573,652**
Additions	24,967	653	6,859	0	**32,479**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	4,662	0	0	0	**4,662**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(46,580)	(703)	(984)	0	**(48,267)**
Derecognition – disposals	0	0	0	0	**0**
Assets reclassified (to)/from PPE	7,217	0	(14,956)	7,739	**0**
Assets reclassified (to)/from Investment Properties	0	0	0	0	**0**
Assets reclassified (to)/from Intangible Assets	0	0	0	0	**0**
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	**0**
Assets reclassified (to)/from Right of Use	0	(41)	0	0	**(41)**
Gross Book Value at 31 March 2025	**490,012**	**41,860**	**22,874**	**7,739**	**562,485**
Less Accumulated Depreciation					
Balance Brought Forward	**15,759**	**38,186**	**0**	**0**	**53,945**

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Depreciation charge	8,657	987	0	0	**9,644**
Depreciation written out to the Revaluation Reserve	(6,104)	0	0	0	**(6,104)**
Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	(3,005)	(595)	0	0	**(3,600)**
Impairment loss/(reversals) recognised in the surplus/deficit on the Provision of Services	0	0	0	0	**0**
Derecognition – disposals	0	0	0	0	**0**
Depreciation at 31 March 2025	**15,307**	**38,578**	**0**	**0**	**53,885**
Net Book Value					
at 31 March 2025	**474,705**	**3,282**	**22,874**	**7,739**	**508,600**
at 31 March 2024	**483,987**	**3,765**	**31,955**	**0**	**519,707**
Nature of Holding as 31 March 2025					
Owned	331,445	3,282	4,840	7,739	**347,306**
Property Investment Portfolio	124,715	0	18,034	0	**142,749**
PFI	18,545	0	0	0	**18,545**
Total	**474,705**	**3,282**	**22,874**	**7,739**	**508,600**

Comparative Movements in 2023/24:

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Gross Book Value Brought Forward	**505,240**	**40,921**	**14,512**	**0**	**560,673**
Additions	28,369	1,030	15,878	0	**45,277**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(23,650)	0	0	0	**(23,650)**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(8,643)	0	0	0	**(8,643)**
Derecognition – disposals	(5)	0	0	0	**(5)**
Assets reclassified (to)/from PPE	(1,565)	0	1,565	0	**0**

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Assets reclassified (to)/from Investment Properties	0	0	0	0	**0**
Assets reclassified (to)/from Intangible Assets	0	0	0	0	**0**
Assets reclassified (to)/from Held for Sale	0	0	0	0	**0**
At 31 March 2024	**499,746**	**41,951**	**31,955**	**0**	**573,652**
Less Accumulated Depreciation					
Balance Brought Forward	**15,922**	**36,952**	**0**	**0**	**52,874**
Depreciation charge	9,207	1,234	0	0	**10,441**
Depreciation written out to the Revaluation Reserve	(8,802)	0	0	0	**(8,802)**
Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	(568)	0	0	0	**(568)**
Impairment loss/(reversals) recognised in the surplus/deficit on the Provision of Services	0	0	0	0	**0**
Derecognition – disposals	0	0	0	0	**0**
At 31 March 2024	**15,759**	**38,186**	**0**	**0**	**53,945**
Net Book Value					
at 31 March 2024	**483,987**	**3,765**	**31,955**	**0**	**519,707**
at 31 March 2023	**489,318**	**3,969**	**14,512**	**0**	**507,799**
Nature of Holding at 31 March 2024					
Owned	372,928	3,725	1,565	0	**378,218**
Leased	0	40	0	0	**40**
Property Investment Portfolio	92,716	0	30,390	0	**123,106**
PFI	18,343	0	0	0	**18,343**
Total	**483,987**	**3,765**	**31,955**	**0**	**519,707**

Property Investment Portfolio and PFI Assets

The authority holds a number of individual sites for regeneration and economic development purposes: the Property Investment Portfolio (PIP). Continued investment has allowed the PIP to strengthen and grow and is being used to invest directly into land and property enabling local businesses to expand and attracting new investors which boosts jobs, the economy and generated additional income for the Council, directly through rental income but also from business rates. Contained within Property Plant and Equipment are the following asset valuations relating to the Councils Property Investment Portfolio along with assets that have been delivered through the PFI contract and which remain in the Councils control.

2023/24			2024/25	
Property Investment Portfolio Assets included in PPE	PFI Assets Included PPE		Property Investment Portfolio Assets included in PPE	PFI Assets Included in PPE
£000	£000		£000	£000
103,497	**20,934**	**Gross Book Value Brought Forward**	**123,106**	**18,469**
23,051	15	Additions	14,594	15
702	(2,484)	Revaluation increases/(decreases) recognised in the Revaluation Reserve	17,919	415
(4,144)	4	Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(12,870)	(238)
0	0	Derecognition – disposals	0	0
0	0	Assets reclassified (to)/from PPE	0	0
123,106	**18,469**	**Gross Book Value Closing Balance**	**142,749**	**18,661**
		Less Accumulated Depreciation		
0	**162**	**Balance Brought Forward**	**0**	**197**
0	441	Depreciation charge	0	407
0	(406)	Depreciation written out to the Revaluation Reserve	0	(348)
0	0	Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	0	(140)
0	**197**	**Depreciation Closing Balance**	**0**	**116**
123,106	**18,272**	**Net Book Value Closing Balance**	**142,749**	**18,545**

Infrastructure Assets

Movements on balances

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

2023/24 £000		2024/25 £000
229,575	**Net Book value (Modified historical cost) Brought Forward Balance**	**236,277**
13,590	Additions	10,725
0	Derecognition	0
(6,888)	Depreciation	(7,228)
0	Impairment	0
0	Other movements in cost	0
236,277	**Net Book Value Balance carried forward**	**239,774**

Reconciliation to Balance Sheet

2023/24 £000		2024/25 £000
236,277	Infrastructure Assets	239,774
519,717	Other PPE assets	508,600
755,994	**Total PPE Assets as per Balance Sheet**	**748,374**

The authority has determined in accordance with Regulation 30M England of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings – 1 to 60 years
- Vehicles, Plant, Furniture & Equipment – 1 to 24 years
- Infrastructure Assets – 2 to 40 years

Capital Commitments

At 31 March 2025, the Authority has entered into 10 contracts for the construction of Property, Plant and Equipment where there is a commitment for expenditure in future years. This commitment has a budgeted cost of £41.476m. Similar commitments at 31 March 2024 were £27.668m. The major commitments are:

- The re-generation and re-development of Station Quarter; incorporates 3 contracts with outstanding commitments of £21.591m at 31 March 2025.
- The expansion of Millbrook Primary School; £1.738m was outstanding at 31 March 2025.
- The expansion of Ercall Wood Academy; £3.285m was outstanding at 31 March 2025
- The development of Gower Street, St. Georges; £1.451m was outstanding at 31 March 2025.
- The development of Wellington and Oakengates district centres which form parts of the Council's Towns Fund project; incorporates 2 contracts with outstanding commitments of £3.347m at 31 March 2025.
- The development of a new care facility; £2.497m was outstanding at 31 March 2025.

The authority holds a number of individual sites for regeneration and economic development purposes: the Property Investment Portfolio (PIP). Continued investment has allowed the PIP to strengthen and grow and is being used to invest directly into land and property enabling local businesses to expand and attracting new investors which boosts jobs, the economy and generated additional income for the Council, directly through rental income but also from business rates.

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

15b. Investment Property

During 2024/25, the authority has completed a review of the property assets it holds and has determined that a number of individual sites meet CIPFA's definition of Investment Property. There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of the investment properties over the year:

2023/24 £000		2024/25 £000
42,807	**Balance Brought Forward**	**46,575**
535	Additions	368
0	Revaluation increase/(decrease) recognised in the revaluation reserve	0
3,233	Revaluation increase/(decrease) met from the Net Surplus/Deficit on the Provision of Services	1,820
0	Disposals	0
	Transfer:	
0	(to)/from Property, Plant & Equipment	0
46,575	**Balance Carried Forward**	**48,763**

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2023/24 £000		2024/25 £000
(2,714)	Rental & other income from Property Portfolio	(3,230)
1,906	Direct operating expenses arising from Property Portfolio	1,109
(808)	**Net Operational (Gain)/Loss**	**(2,121)**
(808)	Net (gain)/loss on revaluation of properties	(934)
(1,616)	**Total (Gain)/Loss**	**3,055**

16. Valuation of Property Plant & Equipment

The Council's property, that was due to be valued this year, was valued on 31st December 2024 by internal valuers, Dawn Toy MRICS, Susan Millward MRICS, Caroline Tudor MRICS and David Scrimgeour, all are Registered Valuers of Telford & Wrekin Council.

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every three years. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The valuations were in accordance with the RICS Valuation – Global Standards (Red Book Global Standards) effective from 31st January 2025 and the RICS Valuation – Global Standards Uk National Supplement October 2023 and the International Valuation Standards (IVS).

The valuation of the property was on the basis of:

- existing use value (EUV) assuming that the property would be sold as part of the continuing business and subject to the following special assumptions (owner occupied property).
- fair value (which equates to market value for accounting purposes) for investment property assuming that it would be sold subject to any existing leases and subject to the following special assumptions (Investment Property).
- Market Value assuming that the property would be sold with vacant possession in its existing condition and subject to the following special assumptions (surplus property and property held for development).

The valuer's opinion of Market Value and EUV was primarily derived using:

- The Comparable method for types of property where there is good evidence of previous sales on arm's-length terms,
- Investment method for most commercial (and some residential) property that is producing, or has the potential to produce, future cash flows through the letting of the property,
- Depreciated replacement cost approach, because the specialised nature of the asset means that there are no market transactions of this type of asset, except as part of the business or entity.
- The value is being reported on the basis of market value except where DRC method is used due to the specialist nature of the properties.

Special assumptions – Operational Property:

- There would be no bids from Special Purchasers.
- It is assumed that the interest being valued can be offered freely and openly in the market, for non-specialist property, and based on existing use for specialist property.
- There are no past changes in the physical aspects of the property or asset where the valuer has to assume those changes have not taken place.
- We will ignore any impending or proposed change in the physical circumstances of the property, for example, a new building to be constructed or an existing building to be refurbished or demolished on the valuation date.

- An anticipated change in the mode of occupation or trade at the property –
    - Planning consent has been, or will be, granted for development (including a change of use) at the property. We will also consider the impact of any conditions that may be imposed,
    - A building or other proposed development has been completed in accordance with a defined plan and specification,
    - The property has been changed in a defined way (e.g. removal of process equipment),
    - The property is vacant when, in reality, at the date of valuation it is occupied,
    - That a specific contract was in existence on the valuation date which had not actually been completed,
    - It is let on defined terms when, in reality, at the date of valuation it is vacant, or
    - The exchange takes place between parties where one or more has a special interest and that additional value, or synergistic value, is created as a result of the merger of the interests.
- Damaged property –
    - Treating the property as having been re-instated (reflecting any insurance claims) when it has not,
    - Valuing as a cleared site with development permission assumed for the existing use, or
    - Refurbishment or re-development for a different use reflecting the prospects of obtaining the necessary development permissions.
- Trade related property –
    - Accounts or records of trade would not be available to, or relied upon, by a prospective purchaser,
    - The business is open for trade when it is not,
    - The business is closed, when it is actually trading from the property,
    - The inventory has been removed, or is assumed to be in place when it is not,
    - The licences, consents, certificates and/or permits required in order to trade from the property are lost or are in jeopardy, or
    - The business will continue to trade on its present terms, including any ties to the landlord for supply of liquor, gaming machines or other goods and services; or the valuation reflects the least cost to replace all elements of the service potential of the property to the owner of the interest being valued, which may include the margin gained from tied wholesale supplies of goods or the supply of services.
- It is assumed that there are no alterations and improvements to be carried out under the terms of a lease.
- Where a valuation needs to reflect an actual or anticipated marketing constraint, details of that constraint must be agreed and set out in these terms of engagement.
- If a property or asset cannot be freely or adequately presented to the market, the price is likely to be adversely affected. Before accepting instructions to advise on

the likely effect of a constraint, we need to identify whether this arises from an inherent feature of the asset or interest being valued, or from the particular circumstances of the client.

- If an inherent constraint exists at the valuation date, it is normally possible to assess its impact on value.
- If an inherent constraint does not exist at the Valuation Date, but is a foreseeable consequence of a particular event or the client requests a valuation on the basis of a specified market restriction, the valuation will be provided on the Special Assumption that the constraint has arisen at the valuation date. Details of the nature of the constraint are to be listed here. It may also be appropriate to provide a valuation without the Special Assumptions in order to demonstrate its impact.
- Any Special Assumption that specifies a time limit on disposal MUST state the reason for the time limit.
- The term 'forced sale value' must not be used as this is not a valuation basis. The term is used to reflect pressure on a particular vendor to sell at or by a specific time. The vendor may be subject to external legal or personal factors and therefore the time constraint is not merely a preference of the vendor.
- That a financial instrument is valued using a yield curve that is different from that which would be used by a market participant.
- Projected values: These rely wholly on Special Assumptions and may include assumptions such as the state of the market in the future – yields, rental growth, interest rates, etc. The assumptions must be:
    - In accordance with any applicable national or jurisdictional standard,
    - Realistic and credible, and
    - Clearly and comprehensively set out in the report.

Lotting assumptions – Property Investment Portfolio (PIP) & Groups of Properties:

- It is assumed that there are no physically separate properties that are occupied by the client where there is a functional dependence between the properties. e.g. a separate car park that is exclusively used by the occupier of the building.
- Due to the nature of the business of the Council, no account will be made where the ownership of a number of separate properties would be of particular advantage to someone as a single owner, because of economies that could result from either increased market share or savings in administration or distribution, such as with a block of offices, shops, factory units, libraries, schools, or drop in or contact centres.
- Where physically adjoining properties that have been acquired separately by the Council for site assembly for future development/regeneration, the proposed development scheme will be used as the basis of valuation for the assembled site(s).
- No account will be made where individual properties are used collectively or are an essential component of the Council's operation, even though they may cover a large geographical area.
- You have not told us of any groups of properties that you do not want valuing together.
- We will value units with industrial estates, office complexes and local shopping centres within the Property Investment Portfolio as groups of properties.

- Requests to value properties on an assumption that lots them in an artificial manner will normally be declined. There may be certain circumstances where unusual lotting may be dealt with under Special Assumptions, but these would need to be discussed (and comply with RICS Professional Standards).
- If permission is given to publish the valuation figure(s) the 'Statement of Reference to Value for Inclusion in Statement of Accounts' must include all Special Assumptions.

Not all of the properties were inspected. This was neither practicable nor considered by the valuer to be necessary for the purpose of the valuation.

Other Land & Buildings, with the exception of investment assets and those assets identified with a high value are valued over a 3-year rolling programme. Infrastructure Assets and Vehicles, Plant & Equipment are valued at depreciated historical cost. Asset Under Construction and Community Assets are valued at historical cost.

The following table shows the gross book value of assets that have been revalued in each of the rolling 3 years.

	Other Land & Buildings £000	**Vehicles, Plant & Equipment £000**	**Asset Under Construction £000**	**Total Property Plant & Equipment £000**
Carried at Historic Cost	14,354	41,951	31,955	**88,260**
Valued @ 31 March 2023	64,164	0	0	**64,164**
Valued @ 31 March 2024	20,803	0	0	**20,803**
Valued @ 31 March 2025	400,425	0	0	**400,425**
Total Cost or Valuation	**499,746**	**41,951**	**31,955**	**573,652**

17. Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT System and accounted for as part of the hardware item of Property, Plant and Equipment. The Intangible Assets include purchased licenses.

The carrying amount of Intangible Assets is amortised on a straight-line basis.

The movement on Intangible Asset balances during the year is as follows:

2023/24 £000		**2024/25 £000**
	Balance at start of the year	
16,997	Gross Carrying Amount	20,240
(11,568)	- Accumulated Amortisation	(13,713)
5,429	**Net Carrying Amount Brought Forward**	**6,527**
	In year movements	
3,244	Purchases	4,351

2023/24 £000		2024/25 £000
0	Revaluation Gain/(Loss) & Impairments met from the Surplus/Deficit on the Provision of Services	(172)
(2,146)	Amortisation for the Period	(2,819)
1,098	**Net Movements in Year**	**1,360**
	Balance at end of the year	
20,241	Gross Carrying Amount (inc. Revaluation increase/(decrease)	24,419
(13,714)	Accumulated Amortisation	(16,532)
6,527	**Net Carrying Amount Carried Forward**	**7,887**

18. Assets Held for Sale

2023/24 £000		2024/25 £000
2,238	**Balance Brought Forward**	**1,544**
325	Additions	257
0	Reclassified from / (to) - Property, Plant and Equipment	0
0	Reclassified from / (to) – Investment Properties	0
0	Revaluation Gain/(Loss) & Impairments met from the revaluation reserve	0
0	Revaluation Gain/(Loss) & Impairments met from the Surplus/Deficit on the Provision of Services	(265)
(1,019)	Assets sold	0
1,544	**Balance Carried Forward**	**1,536**

19. Heritage Assets

The Council has identified a number of Heritage Assets, as listed below. These are held for the appreciation of the history of the local area. The Council has no cost records for the assets and due to their nature, they cannot be valued effectively. The assets are therefore not recognised in the balance sheet.

Asset	Location
Anstice Backwalls & Ice House	Ironbridge
Bridge Structure, Former Castle	Little Dawley
Canal & 2 Railway Bridges	Coalport
Canal & Lock Gates	Hadley
Canal Basin	Granville Park
Canal Blists Hill to Sutton Hill	Madeley
Captain Webb Memorial	Dawley
Crossing Gates, Station Platform, Sidings	Ironbridge
Furnaces	Granville Park
Incline	Ironbridge
Incline Plane	Coalbrookdale
Incline Plane	Madeley
Ladywood Brickworks	Ironbridge
Loam Hole Dingle	Jiggers Bank
Lydbrook Sandstone Outcrop	Jiggers Bank
Mining Landscape	Shortwood, Wellington
Monument	Lilleshall
Newport Canal	Newport
Norman Chapel	Town Park

Asset	Location
Overhead Bridge, Footbridge at Low Level	Madeley
Pumping Engine House Including Reservoir Weirs	Ironbridge
Railway Bridge	Newport
Railway Bridge (Wings)	West of Newport
Shafts Compressor House	Granville Park
Slag Block Wall	Ironbridge
Station Yard	Coalport
Stirchley Chimney	Stirchley
Stirchley Railway Station	Stirchley
Stirchley Tunnels	Stirchley
Track Beds/Railway Lines	Ironbridge
Ventilation Shaft	Ironbridge
Wappenshall Canal Basin	Wappenshall
Wide waters, Canal Basin	Little Dawley

20. Revaluations and Impairment Losses

During 2024/25 the Authority has recognised a net revaluation loss of £32.518m (2023/24 revaluation loss £19.69m) in relation to Property, Plant & Equipment, Assets Held for Sale and Intangible Assets. Of this, a gain of £10.766m was recognised in the Revaluation Reserve and a loss of £43.284m was charged to the CIES due to a balance not being held in the Revaluation Reserve for specific assets being revalued. The charge to the CIES is then reversed out as part of the Movement in Reserves Statement.

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21. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet.

Financial Assets

	Non-current				Current				
	Long Term Investments		Long Term Debtors		Investments (inc. Cash & Cash Equivalents)		Debtors		Total
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fair Value through Profit and Loss									
Amortised Cost									
Cash & Cash Equivalents					17,868	22,062			**22,062**
Debtors*			773	862			32,334	32,369	**33,231**
Debtors with Subsidiaries							1,099	646	**646**
NuPlace Loan			50,176	62,257					**62,257**
Fair Value through other comprehensive income - designated equity instruments									**0**
Fair value through other comprehensive income - other									**0**
Total Financial Assets	**0**	**0**	**50,949**	**63,119**	**17,868**	**22,062**	**33,433**	**33,015**	**118,196**
Non-Financial Assets - Other					121	111	32,489	33,003	**33,114**
Nuplace Equity	22,200	27,300							**27,300**
Total	**22,200**	**27,300**	**50,949**	**63,119**	**17,989**	**22,173**	**65,922**	**66,018**	**178,610**

Financial Liabilities

	Non-Current				Current				Total
	Long Term Borrowing		Long Term Creditors		Short Term Borrowing		Creditors		
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2024/25
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fair Value through Profit and Loss									
Amortised Cost									
Borrowing	237,092	247,646			134,232	187,257			**434,903**
PFI and finance lease Liabilities			40,685	54,282			3,887	3,771	**58,053**
Other Creditors*							85,970	87,124	**87,124**
Total Financial Liabilities	**237,092**	**247,646**	**40,685**	**54,282**	**134,232**	**187,257**	**89,857**	**90,895**	**580,080**
Non-Financial Liabilities							12,977	12,923	**12,923**
Total	**237,092**	**247,646**	**40,685**	**54,282**	**134,232**	**187,257**	**102,834**	**103,818**	**593,003**

* The value of debtors and creditors reported in the above tables are solely those amounts meeting the definition of a financial instrument. The balance sheet and notes also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

Income, Expense, Gains and Losses

	2023/24		2024/25	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£000	£000	£000	£000
Net Gain/Losses on:				
Financial assets measured at fair value through profit and loss	0	0	0	0
Financial asset measured at amortised cost	0	0	0	0
Investment in equity instrument designated at fair value through other comprehensive income	0	0	0	0
Financial assets measured at fair value through other comprehensive income	0	0	0	0
Financial liabilities measured at fair value through profit and loss	0	0	0	0
Financial liabilities measured at amortised cost	0	0	0	0
Total net gains loss	**0**	**0**	**0**	**0**
Interest revenue:				
Financial assets measured at amortised cost	0	(2,787)	0	(3,490)
Other financial assets measured at fair value through other comprehensive income	0	0	0	0
Total interest revenue	**0**	**(2,787)**	**0**	**(3,490)**
Interest expense	**0**	**10,064**	**0**	**16,751**
Fee income				
Financial assets or financial liabilities that are not at fair value through profit and loss	0	0	0	0
Trust and other fiduciary activities	0	0	0	0
Total fee income	**0**	**0**	**0**	**0**
Fee expense				

	2023/24		2024/25	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£000	£000	£000	£000
Financial assets or financial liabilities that are not at fair value through profit and loss	0	0	0	0
Trust and other fiduciary activities	0	0	0	0
Total fee expense	**0**	**0**	**0**	**0**

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- estimated ranges of interest rates are based on new lending rates for equivalent loans at that date.
- no early repayment or impairment is recognised.
- where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	2023/24		2024/25	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Assets				
Cash and Cash Equivalents	17,868	17,868	22,062	22,062
Other receivables	84,382	84,382	96,134	96,134
Total Financial Assets	**102,250**	**102,250**	**118,196**	**118,196**

The fair value of the assets is the same as the carrying amount due to the nature of the assets held.

	2023/24		2024/25	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Liabilities				
Borrowing	371,324	330,736	434,903	385,806
PFI and finance lease liabilities	44,572	44,572	58,053	58,053
Other payables	85,970	85,970	87,124	87,124
Total Financial Liabilities	**501,866**	**461,278**	**580,080**	**530,983**

The fair value of the liabilities is lower than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders above current market rates.

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

The Fair Value Hierarchy for financial assets and liabilities that are not measured at fair value are as follows:

	31 March 2025			
	Quoted Prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial Assets				
Cash and Cash Equivalents	0	22,062	0	**22,062**
Other receivables	0	96,134	0	**96,134**
Total Financial Assets	**0**	**118,196**	**0**	**118,196**
Financial Liabilities				
Borrowing	0	385,806	0	**385,806**
PFI and finance lease liabilities	0	58,053	0	**58,053**
Other payables	0	87,124	0	**87,124**
Total Financial Liabilities	**0**	**530,983**	**0**	**530,983**

	Original 31 March 2024 (Comparative Year)			
	Quoted Prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial Assets				
Cash and Cash Equivalents	0	17,868	0	**17,868**

	Original 31 March 2024 (Comparative Year)			
	Quoted Prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Total £000
Financial Assets				
Other receivables	0	84,382	0	**84,382**
Total Financial Assets	**0**	**102,250**	**0**	**102,250**
Financial Liabilities				
Borrowing	0	330,736	0	**330,736**
PFI and finance lease liabilities	0	44,572	0	**44,572**
Other payables	0	85,970	0	**85,970**
Total Financial Liabilities	**0**	**461,278**	**0**	**461,278**

The fair value for financial liabilities and financial assets that are not measured at fair value included in levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

Financial Assets	Financial Liabilities
No early repayment or impairment is recognised. The fair value of receivables is taken to be the carrying amount (the invoiced / billed amount) due to the short term nature of the assets.	No early repayment is recognised. Estimated ranges of interest rates at 31 March 2025 of 4.81% and 6.12% of loans payable, based on new leading rates for equivalent loans at that date.

22. Nature and Extent of Risks Arising from Treasury Related Financial Instruments

Fair Value of Assets & Liabilities

Fair Value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

We have worked in conjunction with MUFG, our treasury advisors, to produce the following portfolio valuation:

	Nominal/ Principal 31/3/2025 £000	Fair Value @ new loan rate 31/3/2025 £000	Fair Value @ premature repayment rate 31/3/2025 £000
Financial Assets			
Fixed Term Deposits	0	0	0
Other	27,300	27,300	27,300
Financial Liabilities			
Money Market Loans (inc. LOBO's)	35,000	26,605	37,326
PWLB Loans	251,693	251,693	210,991
Abundance Municipal Loans	178	178	178
Temporary Loans	148,032	148,032	148,032
	434,903	**426,508**	**396,527**

The assets and liabilities are shown in the balance sheet at Nominal/Principal cost. The above table shows that the fair value of our assets (investments) is the same as the nominal value as they are non-tradeable shares. Whereas, the fair value of our liabilities is less than the amount held on the balance sheet due mainly to the relatively interest rates at 31 March 2025 resulting in a net discount however note replacement borrowing would also be at a higher interest.

Methodology and Assumptions

The fair value of an instrument is determined by calculating the Net Present Value of future cashflows, which provides an estimate of the value of payments in the future in today's terms. This is the widely accepted valuation technique commonly used by the private sector.

The discount rate used in the NPV calculation should be equal to the current rate in relation to the same instrument from a comparable lender. This will be the rate applicable in the market on the date of valuation, for an instrument with the same duration i.e. equal to the outstanding period from valuation date to maturity. The structure and terms of the comparable instrument should be the same, although for complex structures it is sometimes difficult to obtain the rate for an instrument with identical features in an active market. In such cases, we have used the prevailing rate of a similar instrument with a published market rate, as the discount factor.

Complexities of the NPV calculation

It is unlikely that the future cash instalments of an instrument will fall in equal time periods from the date of valuation, and there is likely to be a "broken" period from the valuation date to the next instalment. This means that an adjustment needs to be made to each discount factor, in order to take account of the timing inequality.

Evaluation of PWLB debt

We have used the new borrowing rate, as opposed to the premature repayment rate, as the discount factor for all PWLB borrowing. This is because the premature repayment rate includes a margin which represents the lender's profit as a result of rescheduling the loan, which is not included in the fair value calculation since any motivation other than securing a fair price should be ignored.

Inclusion of accrued interest

The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value in the Balance Sheet. Since this will include accrued interest as at the Balance Sheet date, we have also included accrued interest in the fair value calculation. This figure will be calculated up to and including the valuation date.

Discount rates used in NPV calculation

The rates quoted in this valuation were obtained by MUFG from the market on 31st March, using bid prices where applicable.

Assumptions

It is noted that the following assumptions do not have a material effect on the fair value of the instrument:

- Interest is calculated using the most common market convention, Actual Days/365.
- Where interest is paid/received every 6 months on a day basis, the value of interest is rounded to 2 equal instalments.
- For fixed term deposits it is assumed that interest is received on maturity, or annually if duration is > 1 year.
- We have not adjusted the interest value and date where a relevant date occurs on a non-working day.

Exposure to Risk

The Authority's activities expose it to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to the Authority.
- liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments.
- market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management on investments is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. Deposits are not made with banks and financial institutions unless they are rated independently with a minimum short term rating of A+, a minimum long term rating of F1+, a minimum support rating of 3, a minimum individual rating of C and a minimum sovereign rating of AA-. In conjunction with our treasury advisors these are overlaid with credit default swaps to produce a lending list governing both value and length of investment. The Authority has a policy of not lending more than £15m to any one institution.

The following analysis summarises the Authority's potential maximum exposure to credit risk, based on experience of default and non-collection over the last five financial years, adjusted to reflect current market conditions.

	Amount at 31 March 2025 £000s	**Historical experience of default %**	**Historical experience adjusted for market conditions at 31 March 2025 (rounded to 3 decimal place) %**	**Estimated maximum exposure to default and collectability £000s**
	A	B	C	A * C
Deposits with banks and financial institutions	0	0	0	0
Other	27,300	0	0	0
Debtors	59,572	0	15.252	9,086
Total	**86,872**	**0**	10.459	**9,086**

The Council has not experienced any defaults with any of the above counterparty types in the last 10 years. The Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds. The Council has one long term investment which is our wholly owned subsidiary NuPlace where we hold a mixture of equity (classed as 'Other' in the above analysis) and debt. The equity is not traded therefore has no credit risk. MUFG have reviewed the Expected Credit Losses associated with the debt and these are not deemed to be material.

Liquidity risk

As the Authority has ready access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates, which is managed by the Chief Finance Officer taking advice from the Councils Treasury Advisors and with reference to maturity profiles.

The maturity analysis of long-term financial liabilities can be found in the table on page 125.

All trade and other payables are due to be paid in less than one year.

Market risk

Interest rate risk

The Authority is exposed to significant risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Income and Expenditure Account will rise.
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall.
- investments at variable rates – the interest income credited to the Income and Expenditure Account will rise.
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Account. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Income and Expenditure Account and affect the General Fund Balance pound (£) for pound (£). Movements in the fair value of fixed rate investments will be reflected in the Comprehensive Income and Expenditure Account.

The Authority has a number of strategies for managing interest rate risk. The policy is to have a maximum of 70% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of Government grant payable on financing costs will normally move with prevailing interest rates or the Authority's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

In line with our Treasury Strategy, the Authority has taken advantage of low level of interest on short-term borrowing in order to reduce cost. The Authority will continue to engage with our external treasury advisor, Link Treasury Services Ltd, to monitor interest rates and lock into long-term borrowing when it is prudent to do so.

Price risk

The Authority does not generally invest in equity shares. The Authority is not consequently exposed to losses arising from movements in the prices of the shares. We do however hold shares in NuPlace however these are non-traded stocks and therefore there is no price risk.

Foreign exchange risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Financial Instruments Adjustment Account – this account holds the accumulated difference between the financial costs included in the Income and Expenditure Account and the accumulated financing costs required in accordance with regulations to be charged to the General Fund balance.

The Available-for-Sale Reserve is a revaluation reserve used to manage the fair value process for these financial assets. It is permitted to have a negative value provided that the losses posted to it are not impairment losses.

Sensitivity Analysis

At the 31st March 2025 the Council had both fixed and variable investments and borrowings. A sensitivity analysis has been carried out to assess the impact that increases or decreases in interest rates would have on the budget.

The table below shows an analysis of investments and borrowing into fixed and variable together with the impact of a 1% change in interest rates.

	Investments £000	Borrowing £000	Net Total £000	1% Movement £000
Variable	(22,062)	187,257	165,195	1,652.0
Fixed	(27,300)	247,646	220,346	0.0
Total	**(49,362)**	**434,903**	**385,541**	**1,652.0**

A 1% change in interest rates would have an impact on the budget of £1.652m, this is because at 31st March 2025 more variable borrowing than variable investments were held. The most likely next move in interest rates at 31st March 2025 is downward and this would lead to a net reduction in borrowing costs based on the position at 31st March 2025. The Council is managing ongoing maturity profiles for both investments and borrowing.

Long Term Borrowing

Source of Loan	Range of Interest rates payable (%)		Total Outstanding	
	Min.	Max.	2023/24 £000	2024/25 £000
Public Works Loan Board	1.2	9.38	196,913	212,537
Money Market Loans (including LOBOs)	3.98	4.50	40,000	35,000
Abundance Municipal Investments	2.10	2.10	179	109
			237,092	**247,646**

Long term borrowing by maturity:

	2023/24 £000	2024/25 £000
Maturing in 1-2 years	17,791	34,062
Maturing in 2-5 years	34,542	36,787
Maturing in 5-10 years	49,852	55,725
Maturing in more than 10 years	134,907	121,072
	237,092	**247,646**

Total Borrowing

	2023/24 £000	2024/25 £000
Total Long Term Borrowing	237,092	247,646
Temporary Borrowing	134,232	187,257
Total Borrowing	**371,324**	**434,903**

During the year, total borrowing increased by £63.579m, from £371.324m to £434.903m. This increase was due to capital expenditure funded from Prudential Borrowing, £44.255m, and a reduction in internal borrowing i.e. reserves.

23. Debtors

2023/24 £000		2024/25 £000
	Amounts falling due in one year:	
7,616	Central Government	7,473
2,838	Other Local Authorities	1,333
1,674	NHS Bodies	2,097
1,099	Amounts due from Subsidiaries	646
52,695	Other Entities and Individuals	54,469
65,922	**Gross Debtors**	**66,018**
(6,928)	Provision for Expected Credit Loss & Incurred Loss	(7,250)
58,994	**Total**	**58,768**

Provision for Expected Credit Loss & Incurred Loss

2023/24 £000		2024/25 £000
(128)	Rent associated with Property Investment	(229)
(211)	Sales Ledger	(246)
(1,571)	Benefits overpayments	(1,419)
(5,018)	Other provisions	(5,356)
(6,928)	**Total**	**(7,250)**

24. Investments

In total the Council's investments held at 31st March 2025 increased by £9.294m as a result of an increase in cash holdings, £4.194 and further acquisition of share capital in our wholly owned subsidiary, £5.1m.

The Council has long term investments, totalling £27.3m, comprising solely of share capital in its wholly owned subsidiary. Investments are shown in the Balance Sheet at cost.

The Council has no short, fixed term deposits, with the exception call accounts which include Money Market Funds and deposits placed overnight with the Debt Management Office (DMO). Such amounts are shown within cash and cash equivalents.

Summary of Investments

2023/24 £000	Category	2024/25 £000
	Long Term Investments	
22,200	Other (Equity Investments)	27,300
22,200	**Total Long Term Investments**	**27,300**
0	**Short Term Investments**	**0**
17,868	**Cash & Cash Equivalent Investments**	**22,062**

2023/24 £000	Category	2024/25 £000
40,068	**Total Investments**	**49,362**

Investments are valued as "loans and receivables". See also Note 22 on Fair Value.

25. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

2023/24 £000		2024/25 £000
3,188	Bank current accounts	3,482
14,680	Call Accounts	18,580
17,868	**Cash and Cash Equivalent Investments**	**22,062**
121	Cash held by the Authority	111
17,989	**Total Cash and Cash Equivalents**	**22,173**
0	Bank Account Overdrawn	0
17,989	**Net Cash Position for Cash Flow Purposes**	**22,173**

26. Provisions

	1st April 2024 £000	Transfers/ Receipts in year £000	Transfers/ Payments in year £000	31st March 2025 £000
Restructure Provision	**1,018**	911	(1,865)	**64**
NDR Appeals Provision	**2,107**	2,123	(2,107)	**2,123**
Total	**3,125**	**3,034**	**(3,972)**	**2,187**
Previous Year	**3,219**	**3,125**	**(3,219)**	**3,125**

Restructure Provision – the accounts include a provision to meet committed severance costs which relate to ongoing restructuring programme which is part of the Council's strategy for delivering savings. The amount in the provision on 31st March 2025 was £0.064m. It is anticipated that an element of restructure costs will be funded from Capital Receipts in 2025/26.

NDR Appeals – under the arrangements for the retention of business rates, authorities are required to make a provision for refunding ratepayers who successfully appeal against the rateable value of their property on the rating list. Based on information relating to outstanding appeals provided by the Valuation Office, £4.332m is estimated as the amount required to set aside for this purpose in the 2024/25 accounts (£6.378m in 2023/24). Telford & Wrekin Council's proportion of this is £2.123m (49%) (£3.125m in 2023/24).

27. Creditors

2023/24 £000		2024/25 £000
5,602	Central Government	6,258
2,516	Other Local Authorities	2,794
1,052	Public Corporations and Trading Funds	997
89,777	Other Entities and Individuals	89,998
3,887	PFI and Leases	3,771

2023/24 £000		2024/25 £000
102,834	**Total**	**103,818**

28. Private Finance Initiatives and Similar Contracts

The Council entered into a PFI transaction in March 2006 for the provision of school and leisure facilities at Hadley Learning Community and Queensway for £289m.

Unitary payments are being paid to the operator, and PFI credits received from the Government as a specific annual grant from 2007/08, when all of the buildings became operational. In 2024/25 the Authority made payments of £12.431m in respect of this PFI contract with Interserve Limited. The Authority is committed to making payments estimated at £9,071,500 per annum (index linked, starting point September 2006) until the contract expiry date of 2034 and receives £5.9m per annum from the Government to help offset this cost. The Council has approved a budget strategy which makes provision for its future commitments in line with the PFI Contract.

The PFI scheme relates to a number of properties of which Hadley Learning Community Primary and Secondary schools and Queensway North converted to Academy status during 2017/18 and as such these assets do not appear on our Balance Sheet. The Bridge School and four properties formerly used as children's residential homes remain with the Council. The value of assets held and shown within Property, Plant & Equipment is £18.545m. The equivalent figure at 31st March 2024 was £18.343m.

A finance lease creditor has also been recognised to the value of £41.142m as at 31st March 2025. The payment made to the operator has been analysed between the service element and the interest charge.

Amounts due are shown in the table below:

	2023/24				2024/25			
	Service £000	Lifecycle £000	Interest £000	Finance Lease £000	Service £000	Lifecycle £000	Interest £000	Finance Lease £000
Within 1 year	3,150	486	3,716	3,371	3,229	1,458	3,477	2,713
2 to 5 years	13,407	6,905	12,910	11,237	13,742	5,884	11,926	13,411
6 to 10 years	18,733	4,227	8,757	25,138	18,175	4,522	6,584	25,018
11 to 15 years	3,005	731	320	4,766	0	0	0	0

29. Useable Reserves - Transfers to/from Earmarked Reserves & Balances

Movements in the Authority's useable reserves are detailed in the Movement in Reserves Statement and below.

This note sets out the amounts set aside from General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25.

	General Fund Balance £000	Earmarked General Fund Reserves* £000	School Balances £000	Revenue Grants & Other Balances £000	Capital Grants Unapplied £000	Total Useable Reserves £000
Balance at 31 March 2023 carried forward	**4,721**	**99,619**	**11,452**	**135**	**12,750**	**128,677**
Movement / Use of reserves during 2023/24	(152)	(19,066)	(1,653)	42	14,854	**(5,975)**
Balance at 31 March 2024 carried forward	**4,569**	**80,553**	**9,799**	**177**	**27,604**	**122,702**
Movement / Use of reserves during 2024/25	(125)	(13,078)	(1,874)	(37)	397	**(14,717)**
Balance at 31 March 2025 carried forward	**4,444**	**67,475**	**7,925**	**140**	**28,001**	**107,985**

Analysis of Earmarked General Fund Reserves

	1st April 2024 £000	Payments £000	Receipts £000	31st March 2025 £000
Pay related Costs Reserve	11,718	(756)	34	**10,996**
Capacity and ITS Fund	3,758	(1,199)	900	**3,459**
Afghan Relocation Scheme	3,272	(1,227)	658	**2,703**
Income Equalisation Account	2,028	0	0	**2,028**
Investment in Council Priorities Fund	4,111	(2,163)	0	**1,948**
Homes England Land Deal	8,262	(7,309)	815	**1,768**
Public Health Grant	2,271	(1,122)	390	**1,539**
Hadley PFI Sinking Fund	1,285	(11,011)	11,978	**2,252**
Unaccompanied Asylum Seekers	961	(482)	781	**1,260**
Reserves earmarked as part of Medium-Term Service and Financial Planning Strategy(1)	21,702	0	0	**21,702**
Other reserves below £1,000,000 at 31st March 2025(2)	21,185	(14,950)	11,585	**17,820**
Total	**80,553**	**(40,219)**	**27,141**	**67,475**
Previous Year	**99,619**	**(49,728)**	**30,662**	**80,553**

1 These balances have been set aside to support the Medium-Term Financial Strategy. Due to the number of uncertainties about future funding, including major planned reforms to the local government finance system due to be consulted on in 2025 and implemented for 2024/25, it is prudent to hold sufficient reserves to ensure a sustainable financial position.

2 The total includes residual grant balances: Specific Refugee/Asylum Seeker Grant Funding and Improved Better Care Fund Grant; provision for insurance excesses and funding committed for the capital programme. There are also a number of service

balances which support the delivery and development of services, such as for housing and homelessness support. A robust review of all reserves and balances is untaken annually as part of the Service & Financial Planning Process and a detailed schedule is included in the Medium-Term Financial Strategy.

30. School Balances

School balances do not form part of the Council's General Fund Balances. They are held separately and are solely for use by schools. The balances held are as follows:

2023/24 £000		2024/25 £000
8,656	School Balances – Revenue	6,930
1,143	School Balances – Capital	995
9,799	**Total School Balances**	**7,925**

31. Unusable Reserves

2023/24 £000		2024/25 £000
171,237	Revaluation Reserve	178,893
155,340	Capital Adjustment Account	114,955
(7,071)	Financial Instruments Adjustment Account	(6,791)
(17,389)	Pensions Reserve	(14,353)
637	Collection Fund Adjustment Account	2,702
(1,397)	Accumulated Absences Account	(1,840)
(1,823)	Dedicated Schools Grant	(4,662)
299,534	**Total Unusable Reserves**	**268,904**

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost,
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2023/24 £000		2024/25 £000
191,260	**Balance brought forward**	**171,237**
(14,847)	Upwards revaluation of assets	10,767
0	Downward revaluations of assets and impairment losses not charged to the Surplus/Deficit on provision of services	0
(5,072)	Difference between fair value depreciation and historical cost depreciation	(3,111)
(104)	Accumulated gains and losses on assets sold or scrapped	0

2023/24 £000		2024/25 £000
171,237	**Balance carried forward**	**178,893**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 15 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2023/24 £000			2024/25 £000
138,150	**Balance Brought Forward**		**155,340**
(18,936)	Charges for depreciation and impairment of non-current assets		(59,176)
(2,146)	Amortisation of intangible assets		(2,819)
(12,128)	Revenue expenditure funded from capital under statute		(27,811)
(1,024)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement		0
5,176	Adjustments in relation to the Revaluation Reserve		3,111
1,852	Capital financing	- Capital receipts	2,183
43,266		- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	40,740
4,363	Minimum Revenue Provision		5,207
(3,233)	Movement in the market value of Investment Property debited or credited to the CIES Account		(1,820)
136,260	**Balance Carried Forward**		**114,955**

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

The Authority uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

2023/24 £000		2024/25 £000
(7,302)	**Balance Brought Forward**	**(7,071)**
231	Proportion of premiums/discounts incurred in previous financial years to be apportioned against the General Fund Balance in accordance with statutory requirements	280
0	Premium/discount on loan redemption	0
(7,071)	**Balance Carried Forward**	**(6,791)**

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance in 2024/25 on the Pensions Reserve reflects the asset ceiling which is required under the Code. The statutory arrangements ensure that funding is set aside by the time the benefits come to be paid.

2023/24 £000		2024/25 £000
(86,494)	**Balance Brought Forward**	**(17,389)**
72,655	Actuarial (gains) or losses on pensions assets and liabilities	112,437
(845)	Added Years	(475)
(21,156)	Reversal of items relating to retirement benefits debited or credited to the (Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(16,901)
18,451	Employer's pensions contributions and direct payments to pensioners payable in the year	19,366
0	Adjustment for Asset Ceiling Calculation 2024/25*	(111,391)
(17,389)	**Balance Carried Forward (Liability)**	**(14,353)**

* Under IFRIC14, an asset ceiling limits the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan. An adjustment has been made in the accounts to apply this asset ceiling, as calculated by the actuary, as the year end results showed a net asset in the pension scheme.

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council taxpayers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £000		2024/25 £000
(1,723)	**Balance Brought Forward**	**637**
2,360	Amount by which Council Tax and Non-Domestic Business Rate income credited to the CIES is different from Council Tax and Non-Domestic Business Rate income calculated for the year in accordance with statutory requirements	2,065
637	**Balance Carried Forward**	**2,702**

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2023/24 £000		2024/25 £000
(2,346)	**Balance Brought Forward**	**(1,397)**
2,346	Settlement or cancellation of accrual made at the end of the preceding year	1,397
(1,397)	Amounts accrued at the end of the current year	(1,840)
(1,397)	**Balance Carried Forward**	**(1,840)**
949	Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(443)

Dedicated Schools Grant

On the 6 November 2020, the secretary of State for Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument to amend the Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29 November 2020 for the financial years beginning 1 April 2020 and ending 31 March 2024. The Regulations have since been extended for a further two years.

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where a local authority has a deficit on its schools budget relating to its accounts for the financial years beginning on 1 April 2020 and ending 31 March 2026, it must not charge the amount of that deficit to a revenue account. The local authority must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The new accounting practice has the effect of separating schools budget deficits from the local authorities' general fund for a period of three financial years.

2023/24 £000		2024/25 £000
0	**Balance Brought Forward**	**(1,823)**
(1,823)	(Over)/underspend on Dedicated Schools Grant in year	(2,839)
(1,823)	**Balance Carried Forward**	**(4,662)**

32. Revenue Expenditure Funded from Capital Under Statute

Revenue Expenditure funded from Capital under Statute is created when expenditure, classified as capital expenditure with respect to capital controls, does not result in the creation of a fixed asset. During 2024/25 expenditure on this totalled £27.811m. However, none of this expenditure created a benefit to the Authority beyond the financial year in which it was incurred. Consequently, the net cost has been transferred to the Capital Adjustment Account during the year.

33. Useable Capital Receipts Reserve

2023/24 £000		2024/25 £000
0	**Balance Brought Forward**	**0**
1,852	Capital receipts received during year	2,183
(1,852)	Less Capital receipts used for financing during year	(2,183)
0	**Balance Carried Forward**	**0**

The useable capital receipts reserve represents the capital receipts available to finance capital expenditure. The balance was nil at 31st March 2025.

34. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI/PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

2023/24 £000		2024/25 £000
521,398	**Opening Capital Financing Requirement**	**555,727**
	Adjustment for historic Right of Use Assets	17,529
	Revised Opening Balance	**573,256**
	Capital Investment	
58,867	Property, Plant & Equipment	43,199
535	Investment Property	368
325	Assets Held for Sale	257
3,243	Intangible Assets	4,351
0	Right of Use	114
12,128	Revenue Expenditure funded from Capital under Statute (REFCUS)	27,811
3,400	Long Term Investments	5,100
5,344	Capital Loans	12,081
	Sources of Finance	
(1,852)	Capital Receipts	(2,183)
(32)	Finance Leases & De Minimis Capital Expenditure	(114)
(43,266)	Government Grants and Other Contributions	(40,740)
(4,363)	Revenue Provision (NB: includes MRP)	(5,207)
555,727	**Closing Capital Finance Requirement**	**618,293**
34,329	Movement for Year	62,566

2023/24 £000		2024/25 £000
	Explanation of movements in the year	
34,329	Increase in underlying need to borrow (unsupported by Government financial assistance)	62,566

The main items of capital expenditure during the year related to improving schools, roads, local housing improvements, ICT, Town Centre Regeneration, Property Investment Programme and Street Lighting, some of which would be classed as REFCUS.

35. Minimum Revenue Provision

The net amount charged to revenue in compliance with the statutory requirement to set aside a minimum revenue provision is as follows:

2023/24 £000		2024/25 £000
4,306	Principal Repayment of external loans	4,558
0	Adjustment for prior year overpayments	0
57	Principal Repayment of leases	649
4,363	**Total**	**5,207**

36. Cash Flow Statement – Adjustments to net surplus or deficit on the provision of services for non-cash movements

2023/24 £000		2024/25 £000
(27,009)	Impairment and depreciation of property, plant and equipment and intangible assets	(63,793)
(4,177)	(Increase)/decrease in creditors	1,315
3,681	Increase/(decrease) in debtors	6,250
(15)	Increase/(decrease) in inventories	(22)
(3,550)	Pension Liability	1,990
(1,024)	Carrying amount of non-current assets and non-current asset held for sale, sold or derecognised	0
94	Other non-cash items charged to the net surplus or deficit on the provision of services	939
3,233	Movement in Investment Property values	0
(28,767)	**Total**	**(53,321)**

37. Cash Flow Statement – Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities

2023/24 £000		2024/25 £000
0	Proceeds from sale of short term investments	0
1,852	Proceeds for the sale of Property, Plant & Equipment and Intangible Assets	2,183
43,266	Any other items for which the cash effects are investing or financing cash flow	40,740
45,118	**Total**	**42,923**

38. Cash Flow Statement – Investing Activities

2023/24 £000		2024/25 £000
61,851	Purchase of property, plant and equipment, investment property and intangible assets	48,358
3,400	Purchase of short-term and long-term investments	5,100
5,529	Other payments for investing activities	12,170
(1,852)	Proceeds from the sale of Property, Plant & Equipment and Intangible Assets	(2,183)
0	Proceeds from short-term and long-term investments	0
(39,277)	Other receipts from investing activities	(47,447)
29,651	**Net cash flows from investing activities**	**15,998**

39. Cash Flow Statement – Financing Activities

2023/24 £000		2024/25 £000
(111,101)	Cash receipts of short- and long-term borrowing	(267,001)
0	Other (receipts)/charges from financing activities	0
3,233	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI Contracts	(1,138)
86,999	Repayments of short- and long-term borrowing	203,422
(294)	Other payments for financing activities	(2,225)
(21,163)	**Net cash flows from financing activities**	**(66,942)**

40. Cash Flow Statement – Operating Activities

The cash flow for operating activities includes the following items:

2023/24 £000		2024/25 £000
(2,775)	Interest received	(3,500)
12,247	Interest paid	15,462
(253)	Dividend Received	(302)
9,219	**Net cash flows from operating activities**	**11,660**

41. Grant Income and Capital Contributions

The Authority credited the following grants, capital contributions and donations to the Comprehensive Income and Expenditure Statement:

2023/24 £000		2024/25 £000
	Revenue Grants Credited to Taxation and Non Specific Grant Income	
11,623	Revenue Support Grant	12,393
5,687	Non Domestic Rates Top Up Grant	5,988
11,684	Section 31 Grant	13,290
28,994	**Total Revenue Grants**	**31,671**
	Capital Grants & Contributions Credited to Taxation and Non-Specific Grant Income	
3,230	Pot Hole Funding	2,464
2,508	Disabled Facilities Grant	2,843

2023/24 £000		2024/25 £000
21,049	Schools Standards Fund	4,235
3,836	Local Transport Plan	3,341
17,664	Towns Fund (and other DLUHC Capital Grants)	13,799
4,516	Section 106 Contributions	1,511
1,655	Contributions from Reserves / Balances	258
1,780	Land Deal	7,641
1,883	Other Capital Grants (balances less than £1m as at 31 March 2025)	5,046
58,121	**Total Capital Grants & Contributions**	**41,138**
87,115	**Total Grants & Contributions – Credited to Taxation and Non-Specific Grant Income**	**72,809**
	Revenue Grants Credited to Services	
122,074	Dedicated Schools Grant	123,238
48,384	Mandatory Rent Allowances Subsidy	49,730
13,479	Adult Social Care	17,529
13,598	Public Health Grant	14,102
7,824	Improved Better Care Fund	9,651
7,387	Pupil Premium Grant	6,956
645	SEND & AP Change Grant	4,066
2,991	Market Sustainability	3,386
3,029	Local Household Support Grant	3,021
2,019	Asylum Seekers	2,790
591	UKSPF 2022-25 Grant	2,322
2,317	New Home Bonus	2,045
-	Core Schools' Budget Grant	1,814
5	Teacher's Pension Grant	1,804
-	Public Transport Services	1,684
1,584	Universal Free School Meals	1,551
941	Teacher's Pay Grant	1,426
1,648	Afghan Resettlement Programme	1,100
1,277	Family Hubs	1,079
20,402	Other grants (balances less than £1m as at 31 March 2025)	14,940
250,195	**Total Revenue Grants Credited to Services**	**264,234**
337,310	**Total Grant Income & Other Capital Contributions**	**337,043**

The Authority has received a number of grants that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the giver if the conditions are not met. The balances at the year-end are as follows:

2023/24 £000		2024/25 £000
	Capital Grants Receipts in Advance	
1,611	Standards Fund	1,611
0	Midlands Energy Hub	276
0	Air Quality Grant	(45)
1,810	Sustainable modes of transport	1,811
3,421	**Total**	**3,653**

42. Pooled Budgets

The Better Care Fund is a pooled fund governed by a Section 75 agreement. The parties to this joint arrangement are Telford & Wrekin Council and NHS Shropshire, Telford and Wrekin Integrated Care Board (the ICB). The fund was established for the first time in 2015/16 in order to meet the Government's requirement to encourage closer working and integration between health and care services and to improve outcomes for Patients and Service Users and Carers. There are performance targets regarding the reductions in non-elective admissions to hospital and to deliver more care in the community helping people to remain independent.

Better Care Fund where NHS Shropshire, Telford and Wrekin Integrated Care Board was the host in 2024/25

The revenue fund is hosted by the ICB and a Section 75 pooled budget agreement governs how it is to be operated and reported and includes a risk sharing agreement which details how risks are to be managed and shared. These risks arise from the management of overspends and underspends from Commissioned Services and the delivery of performance metrics. The relevant funding contributions are reported below, but the contribution by the ICB includes revenue funding targeted to the protection of Adult Social Care for which the local authority commissions services.

The net surplus will be retained in the fund and carried forward by the Council into 2025/26.

2023/24 £000	Better Care Fund Revenue Pooled Budget	2024/25 £000
536	**Surplus Brought Forward**	**98**
11,556	Funding from Telford & Wrekin Council	11,384
18,578	Funding from Shropshire, Telford and Wrekin Integrated Care Board	18,698
(23,839)	Expenditure met from pooled budget Telford & Wrekin Council	(22,667)
(6,733)	Expenditure met from pooled budget Telford & Wrekin Clinical Commissioning Group	(7,114)
98	**Net Surplus/(Deficit) arising on Pooled budget carried forward**	**399**

Better Care Fund where Telford & Wrekin Council was the host in 2024/25

The capital fund is hosted by Telford & Wrekin Council, and a section 75 Pooled Budget agreement governs how it is to be operated and reported and includes a risk sharing agreement which details how risks are to be managed and shared. These risks arise from the management of overspends and underspends from Commissioned Services and the delivery of performance metrics.

The expenditure has been incurred in the year entirely on local authority commissioned services. The relevant funding contributions are reported below, and the underspend in 2024/25 will be retained in the fund and carried forward by the council into 2025/26.

2023/24 £000	Better Care Fund Capital Pooled Budget	2024/25 £000
30	**Surplus Brought Forward**	**30**
2,508	Funding from Telford & Wrekin Council	2,862
(2,508)	Expenditure met from pooled budget Telford & Wrekin Council	(2,862)

2023/24 £000	Better Care Fund Capital Pooled Budget	2024/25 £000
30	**Net Surplus/(Deficit) arising on Pooled budget carried forward**	**30**

Integrated Community Equipment Loan Service

2024/25 was the first year of operating a Section 75 agreement for the Integrated Community Equipment Loan (ICEL) Service. This is a partnership agreement between NHS Shropshire, Telford & Wrekin Integrated Care Board, Shropshire Council and Telford & Wrekin Council. The partnership will operate as Shropshire, Telford and Wrekin Integrated Community Equipment Partnership ("STWICEP") with the main purpose to provide an integrated community equipment loan service to support the statutory functions to deliver social care services and health services. Shropshire Council act as the host authority.

2023/24 £000	Better Care Fund Revenue Pooled Budget	2024/25 £000
0	**Surplus Brought Forward**	**0**
0	Funding from Telford & Wrekin Council	123
0	Funding from Shropshire Council	422
0	Funding from Shropshire, Telford and Wrekin Integrated Care Board	4,006
0	Expenditure met from pooled budget Telford & Wrekin Council	(126)
0	Expenditure met from pooled budget Shropshire Council	(472)
0	Expenditure met from pooled budget Shropshire, Telford and Wrekin Integrated Care Board	(4,469)
0	**Net Surplus/(Deficit) arising on Pooled budget carried forward**	**(516)**

The agreement includes a risk share arrangement by which the partners agree to meet a share of any overspend within the fund and agree how to administer or apply underspends, should the occur.

43. Members' Allowances

The Authority paid the following amounts to members of the Council and Co-optees during the year.

2023/24 £000		2024/25 £000
985	Allowances	1,001
0	Expenses	0
985	**Total**	**1,001**

44. Senior Officers' Remuneration & Employee Remuneration in Bands

This note shows the amounts paid to Senior Officers in 2024/25 and comparative payments for 2024/25. Senior Officers are defined as:

- named employees whose annualised salary is £150,000 or more; and
- posts where the annualised salary is £50,000 or more and who are either: statutory chief officers (per the Local Government and Housing Act 1989); or non-statutory chief officers who report directly to the Head of Paid Service (Chief Executive).

2024/25

Post Holder Information (Post title)	*Note*	Annualised salary £	Salary, Fees & Allowances £	Compensation for Loss of Office £	Total Remuneration excluding Pension contributions 2024/25 £	Pension contributions £	Total Remuneration including pension contributions 2024/25 £
Current Posts							
Chief Executive (David Sidaway)			173,535	0	**173,535**	29,848	**203,383**
Executive Director: Children's Services & Public Health			158,423	0	**158,423**	26,077	**184,500**
Executive Director: Place	*1*	130,740	81,406	0	**81,406**	437	**81,843**
Executive Director: Adult Social Care, Housing & Customer Services	*2*	130,740	98,055	0	**98,055**	16,865	**114,920**
Director: Communities, Customer & Commercial Services	*3*	107,775	27,617	0	**27,617**	4,750	**32,367**
Director: Finance, People & IDT			99,530	0	**99,530**	17,119	**116,649**
Director: Prosperity & Investment			105,818	0	**105,818**	18,201	**124,019**
Director: Education & Skills			105,818	0	**105,818**	17,854	**123,672**
Director: Children's Safeguarding & Family Support			108,912	0	**108,912**	18,733	**127,645**
Director: Adult Social Care			115,992	0	**115,992**	19,951	**135,943**
Director: Neighbourhood & Enforcement Services			105,818	0	**105,818**	16,972	**122,790**
Director: Housing, Commercial & Customer Services			105,818	0	**105,818**	18,201	**124,019**
Director: Policy & Governance			108,818	0	**108,818**	18,717	**127,535**
Director: Health & Wellbeing	*4*		99,530	0	**99,530**	14,312	**113,842**
Executive Director: Adult Social Care, Health Integration & Wellbeing	*5*	2,178	2,178	95,000	**97,178**	375	**97,553**
Director: Health & Wellbeing	*6*	105,818	4,224	75,000	**79,224**	607	**79,831**
			1,501,492	**170,000**	**1,671,492**	**239,019**	**1,910,511**

Notes:
Those roles shown in bold above represent the current posts.
1) This post holder worked part-time hours.
2) This post holder was only in post for part of the year.
3) This post holder was only in post for part of the year.
4) Current post holder is part of the NHS Pension scheme.
5) This post holder left part way through the year.
6) This post holder left part way through the year.

2023/24

Post Holder Information (Post title)	*Note*	Annualised salary £	Salary, Fees & Allowances £	Compensation for Loss of Office £	Total Remuneration excluding Pension contributions 2023/24 £	Pension contributions £	Total Remuneration including pension contributions 2023/24 £
<u>Current Posts</u>							
Chief Executive (David Sidaway)			169,302	0	**169,302**	29,120	**198,422**
Executive Director: Adult Social Care, Health Integration & Wellbeing			130,673	0	**130,673**	22,476	**153,149**
Executive Director: Children's & Family Services			146,892	0	**146,892**	25,265	**172,157**
Executive Director: Housing, Communities & Customer Services			130,673	0	**130,673**	22,476	**153,149**
Interim Director: Finance & Human Resources	*1*	95,615	45,478	0	**45,478**	7,822	**53,300**
Director: Prosperity & Investment			101,369	0	**101,369**	17,436	**118,805**
Director: Education & Skills			101,369	0	**101,369**	17,436	**118,805**
Director: Children's Safeguarding & Family Support			101,369	0	**101,369**	17,436	**118,805**
Director: Health & Wellbeing	*2*		101,369	0	**101,369**	14,577	**115,946**
Director: Adult Social Care	*3*	113,164	95,176	0	**95,176**	16,370	**111,546**
Director: Communities, Customer & Commercial Services			107,775	0	**107,775**	18,537	**126,312**
Director: Neighbourhood & Enforcement Services			101,369	0	**101,369**	17,436	**118,805**
Director: Housing, Employment & Infrastructure			101,369	0	**101,369**	17,436	**118,805**
Director: Policy & Governance			101,369	0	**101,369**	17,436	**118,805**
Director: Finance & Human Resources	*4*	107,680	84,958	0	**84,958**	14,705	**99,663**
			1,620,510	**0**	**1,620,510**	**275,964**	**1,896,474**

Notes:
Those roles shown in bold above represent the current posts.

1) This post holder was only in post for part of the year.
2) Current post holder is part of the NHS Pension Scheme.
3) This post holder was only in post for part of the year.
4) This post holder worked part time hours & left part way through the year

The number of employees whose remuneration, excluding pension contributions, but including redundancy payments, was £50,000 or more (excluding Senior Officers as shown above), in bands of £5,000 were:

Number of Employees 2023/24	Salary Band	Number of Employees 2024/25
54	£50,000 - £54,999	74
28	£55,000 - £59,999	21
47	£60,000 - £64,999	22
13	£65,000 - £69,999	46
8	£70,000 - £74,999	6
7	£75,000 - £79,999	8
3	£80,000 - £84,999	6
2	£85,000 - £89,999	1
2	£90,000 - £94,999	2
1	£95,000 - £99,999	1
1	£100,000 - £104,999	0
1	£105,000 - £109,999	1
1	£110,000 - £114,999	0
	⬇	
1	£160,000 - £164,999	0

The 2024/25 figures include 92 school-based employees (86 in 2023/24). Note 45 – Exit Packages, includes the number of exit packages and costs of compulsory and other redundancies included in the 2024/25 financial statements.

45. Exit Packages

The number and cost of exit packages for compulsory and other departures included in the 2024/25 accounts are shown below, along with comparative information for 2023/24. Note where actual costs were higher than those included in the provision in the 2023/24 SOA, the difference is included in the 24/25 columns below.

Exit package cost band	Number of Compulsory Redundancies		Number of other Departures Agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
							£	£
£0 - £20,000	2	6	17	20	19	26	200,388	167,856
£20,001 - £40,000	2	0	25	2	27	2	794,986	58,479
£40,001 - £60,000	0	0	14	0	14	0	663,548	0
£60,001 - £80,000	0	0	14	2	14	2	1,021,303	149,630
£80,001 - £100,000	0	0	4	2	4	2	353,640	173,971
£100,001 - £150,000	0	0	1	1	1	1	148,578	132,466
£150,001 - £200,000	0	0	0	0	0	0	0	0

Exit package cost band	Number of Compulsory Redundancies		Number of other Departures Agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
							£	£
£200,001 - £250,000	0	0	0	0	0	0	0	0
Total	**4**	**6**	**75**	**27**	**79**	**33**	**3,182,443**	**682,401**

An analysis of the total cost of exit packages shows:	Redundancy etc. £	Pension Fund Charges* £	Total £
Exit Packages agreed and charged to the Income & Expenditure Account during 2024/25	307,525	311,115	618,639
Provision Included in the Authority's Income & Expenditure Account for the cost of exit packages where the authority had made a commitment at 31 March 2025 (i.e. Employees who had received formal notice at 31 March 2025 and will leave during 2025/26)	52,056	11,706	63,762
Total	**359,580**	**322,821**	**682,401**

* Charges made by Shropshire Pension Fund in respect of early payment of pensions.

Please note that some of the exit packages charged to the Income & Expenditure Account during 2024/25 were subsequently funded from capital receipts under the Government's flexible use of capital receipts announced as part of the 2015 Spending Review (and subsequently extended).

46. External Audit Costs

The Council's accounts have been audited by KPMG LLP since 2023/24. The Council incurred the following fees relating to external audit and inspection:

2023/24 £000		2024/25 £000
311	Fees payable with regard to external audit services (2024/25)	338
36	Fees payable in respect of additional work and final fee adjustments (2020/21-2023/24)	86
0	Fees payable to Cabinet Office in respect of statutory inspection	4
0	Government Grant	(86)
347	**Total**	**342**

47. Related Parties

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central Government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. council tax bills, housing benefits). Grant receipts are shown in Note 41.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in Note 43. Details of all these transactions are recorded in the Register of Members' Interest, open to public inspection at the Council Offices during office hours.

During the year transactions with related parties arose as follows:

Councillor Richard Overton is centre manager for Donnington Charitable Trust. The value of all financial transactions between Donnington Charitable Trust and Telford and Wrekin Council in 2024/25 is £9,851.

Councillor Carolyn Healy is a Director of Red Kite Network Ltd who provided ecological and landscaping architectural consultancy services. The value of transactions between the Council and Red Kite Network Ltd in 2024/25 was £20,946.

Councillors Carolyn Healy, Mark Boylam and Paul Davis are Council nominated trustees of Severn Gorge Countryside Trust. The value of all financial transactions between the Trust and the Council is £289,525 which includes the payment of rental incomes, £276,721, collected by the Council on behalf of the Trust. None of the Councillors receives remuneration or personal benefit for this role.

Councillor Rajash Mehta is Chair of the Telford & Wrekin Interfaith Council. The value of transactions during 2024/25 between the Council and the Interfaith Council was £32,455, including grant funding of £28,700.

Councillor Helena Morgan is a Trustee for the Park Lane Centre as the Councils nominated representative. The value of transactions between the Council and the organisation was £19,968, which includes £2,800 awarded in grants. Cllr Morgan Is also a Trustee of the Anstice Centre. The value of transactions between the Council and the Anstice Centre was £17,699, including £2,285 awarded in grant funding.

Councillor Angela McClements is a Director of YMCA Wellington. The value of transactions between the Council and YMCA Wellington were £124,064 including payments awarded in support of Child Sexual Exploitation and the Holly Project.

Councillor Ian Preece holds a Senior Leadership role at AFC Telford Utd Foundation CIC. The value of transactions between the Council and the Foundation is £76,386, including £18,230 awarded in grant funding to the Foundation, £46,726 for the provision of coaching for children across the borough and £11,430 for supporting community events including Urban Games.

Councillor Stephen Handley is Chairperson of the Belmont Community Hall. The value of transactions between the Council and Belmont Community Hall was £2,904 including the awarding of grant funding of £2,500.

Councillor Stephen Burrell is a Director of Peace of Mind Homecare a company that provided services to the Council through service contracts and received £403,133 in 2024/25.

Councillor Stephen Bentley manages Waters Upton Stores in Telford which receives 100% Rural Rate Relief in line with national legislation and Council Policy.

Councillor Nigel Dugmore is a Director of DIND Ltd, who lease a property within the borough from the Council. The annual value of the rent paid is £8,503 (including service charges). The business received grants payments of £1,380 relating to a pharmaceutical pilot scheme.

Councillor Sarah Syrda is a Trustee of Newport Cottage Care who are a provider of Adult Day Care Services. The value of transactions between the Council and Newport Cottage Care was £39,917.

Councillor Rachael Tyrrell is Chair of the Priorslee Residents Association. The value of transactions between the Council and Residents Association was £2,760, which related to the awarding of grant funding.

Parish and Town Councils

A number of the Councils Members are also Members of Parish and Town Councils within the Borough with which Telford & Wrekin Council has had a significant number of transactions. The total value of all transactions is £1,519,961 which includes –

- £278,767 on Grants provided by the Council to Parish and Town Councils, and
- £977,870 on service procured by Parish and Town Councils from Telford & Wrekin Council.

Other Public Bodies (subject to common control by Central Government)

The Authority has pooled budget arrangements with NHS Shropshire, Telford and Wrekin Integrated Care Board (the ICB). Transactions and balances outstanding are detailed in Note 42.

Subsidiaries

Nuplace Ltd is a Wholly Owned Company for the provision of market rented housing in the Borough. For 2024/25 the company had a Profit Before Taxation of £0.687m (£0.43m in 2023/24) and Net Assets of £59.21m (£48.34m in 2023/24). There are 3 Council employees, James Dunn, Katherine Kynaston and Kate Callis, who are Directors of Nuplace Ltd who receive no remuneration or benefit for these roles. The Council produces Group Accounts in relation to NuPlace Ltd and these can be found on from pages 156 - 175.

The Council has entered into five loan agreements for secured loan facilities of up to £40m, £10m, £5m, £11m and £5m respectively with Nuplace Ltd. At the end of 2024/25 £62.257m had been drawn down (2023/24: £50.176m). Interest repayments of £3.021m were made by Nuplace Ltd in 2024/25. The loans are interest only and the principal is repayable at the end of their term.

The Council had acquired £27.3m of equity in Nuplace Ltd by the end of 2024/25 (2023/24: £22.2m) and received a dividend in year of £0.302m.

During 2024/25 Nuplace Ltd purchased net services of £1.613m from the Council (2023/24: £1.079m).

48. Leases

Council as lessee

The Council's lease contracts comprise leases of Operational Land & Buildings and Vehicles, Plant and Equipment. Most are individually immaterial; however, material leases include:

- Darby House, and
- Service Concessions (PFI)

Right of Use Assets

The table below shows the change in the value of right to use assets held under leases by the Council at 31 March 2025.

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Total £000
Net Book Value Brought Forward	**0**	**0**	**0**
Creation of historic assets	11,247	1,378	12,625
Additions	114	0	114
Revaluations	0	0	0
Depreciation & Amortisation	(429)	(419)	(848)
Transfers (to)/from Property, Plant & Equipment	0	41	41
Disposals	0	0	0
Net Book Value 31 March 2025	**10,932**	**1,000**	**11,932**

The Council incurred the following expenses and cash flows in relation to leases.

2023/24 £000		2024/25 £000
	Comprehensive Income & Expenditure Statement	
0	Interest expense on lease liability	519
	Cash Flow Statement	
0	Minimum lease payment	1,144

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments).

2023/24 £000		2024/25 £000
0	Less than one year	1,496
0	One to five years	3,460
0	More than five years	11,733
0	**Total undiscounted liabilities**	**16,689**

Hire Purchase Contracts

During 2024/25 no hire purchase payments were made to lessors. No new hire purchase agreements were entered into during the year and the total obligation outstanding at the end of the year was zero.

Building Leases

The Council owns a number of industrial units, commercial premises and offices throughout the Borough. The Council acts as lessor in respect of these properties which are rented out at commercial rates, these are classified as operating leases. The rental and other income received from these properties for 2024/25 amounted to £12.921m (£10.857m for 2023/24). See also Note 15 in respect of the valuation of these assets (Property Investment Portfolio).

49. Contingent Liabilities

Reinforced Autoclaved Aerated Concrete (RAAC)

On 30 August 2023, the Department of Education issued a list of schools affected by RAAC and also published new guidance. All records held for local authority schools in the Borough have been checked and we understand that 1 school has been affected by RAAC. Remedial works have been completed to ensure that the school could open fully for the start of the autumn term 2023 and additional works are due to be completed once more information on funding from the Department of Education is forthcoming.

The Council undertakes routine inspections and surveys on all operational properties and the implications of RAAC are restricted to one operational education setting. Detailed works are ongoing, so we are currently uncertain of either the effect on the value of the assets or the potential obligations that could arise from works required. The financial statements to include a contingent liability in respect of that educational setting.

Single Status

Single Status is a national pay and conditions agreement for staff employed under NJC terms and conditions, who form a significant proportion of the Council's workforce. The agreement is effective from 1st April 2007, however the process is not yet complete in Telford & Wrekin Council. A liability potentially exists in relation to any costs associated Single Status, however it is not possible at this stage to make a reliable estimate of the amount of the obligation. This being the case, Single Status has therefore been included as a contingent liability in the accounts, in line with the Code of Practice on Local Authority Accounting.

Telford Child Sexual Exploitation Inquiry

On 12 July 2022, Tom Crowther KC published his independent report into child sexual exploitation (CSE) within Telford (see Child sexual exploitation (CSE) - Telford & Wrekin Council). Whilst the legal precedent set in a number of cases (Tindall v CC of Thames Valley Police, HXA & YXA, CN & GN v Poole) confirms that liability will only be found in cases where a Care Order was in place, it is considered that there may be potential, as yet unknown, liability in respect of such cases. As any potential claim received will be assessed on its merits, it is considered prudent to include a contingent liability in respect of any claims which the authority may become aware of.

Further information is contained in Section D Risks and Opportunities of the Narrative Report (see page 10).

50. Contingent Assets

At 31st March 2025, the Authority had no material contingent assets.

51. Special Fund Revenue Account

2023/24		2024/25			
Net Expenditure £000		Gross Expenditure £000	Income £000	Approved use of Balances £000	Net Expenditure £000
	Expenditure on Services				
(56)	Cemeteries	397	(430)	0	(33)
747	Footway Lighting	986	(13)	(216)	757
691	**Total expenditure on services**	**1,383**	**(443)**	**(216)**	**724**
	Income				
(603)	Council Tax				(792)
88	**(Surplus) or deficit for year**				**(68)**
	Special Fund				
(730)	**Balance at beginning of the**				**(475)**
167	Approved use of Reserve for the year				216
88	(Surplus) or deficit				(68)
(475)	**Balance at end of**				**(327)**

The Special Fund covers the cost of providing footway lighting and cemetery services in the former unparished areas of the Borough (excluding the parishes of Lawley & Overdale, Oakengates, St Georges & Priorslee and Wrockwardine Wood & Trench which have taken over responsibility for the footway lighting in their parishes). The above costs for footway lighting relate to the remaining parishes of Great Dawley, Dawley Hamlets, Hollinswood & Randlay, Madeley, Stirchley & Brookside, The Gorge and Wellington.

52. Soft Loans

During 2013/14 the Council extended for 10 years a loan to the Ironbridge Gorge Museum Trust of £500,000 at an interest rate of 2.85% which was below the market rate and therefore constitutes a Soft Loan in the accounting statements. Subsequently during 2023/24, the end date of the loan was rescheduled to 31 March 2031. During 2024/25 the loan ended and the outstanding balance, was charged to the I&E account, in accordance with accounting requirements.

During 2015/16 the Council advanced a loan for 40 years to AFC Telford United of £45,000 at an interest rate of 4.66%, which was below the market rate and therefore constitutes a Soft Loan in the accounting statements. Part of this has been repaid during 2024/25 and the balance at 31st March 2025 is £40,531. This is also shown as a debtor in the Balance Sheet at a fair value of £17,487 and a notional £23,044 has been charged to the I&E account, in accordance with accounting requirements (rather than to indicate any expectation of a shortfall in repayment), to reflect the preferential rate given. The Council owns the freehold of the ground and the loan was provided to fund a new fire alarm system at the ground.

In 2021/22 the Council advanced a loan for 25 years to Telford Hockey Club for £50,000 at an interest rate of 1.86%, which was below the market rate and therefore constitutes a Soft Loan in the accounting statements. Part of the loan has been repaid during 2024/25 and balance as 31st March 2025 is £44,000. This is also shown as a debtor in the Balance Sheet at a Fair Value of £14,254 and a notional £29,746 has been charged to the I&E account, in accordance with accounting requirements (rather than to indicate any expectation of a shortfall in repayment), to reflect the preferential rate given. The loan was provided to fund the replacement of the playing surface at the club.

53. Building Control Account 2024/25

	Chargeable £000	Non-Chargeable £000	Total Building Control £000
Expenditure			
Employee Expenses	201	256	457
Support Services	250	319	569
	451	**575**	**1,026**
Income			
Building Regulation Charges	(444)	(41)	(485)
(Surplus)/Deficit	**7**	**534**	**541**
(Surplus)/Deficit B/Fwd	**(107)**		
(Surplus)/Deficit C/Fwd	**(100)**		

54. Insurance Reserves

The Council has insurance reserves on its General Fund and specifically for Education.

The reserves are in existence for the following purposes:

- to enable the Council to move towards an element of self-insurance and risk management to mitigate premium increases.
- to provide for unbudgeted potentially significant increases in annual premiums and late premium adjustments in a volatile insurance market.
- to meet any potential liabilities resulting from the winding up of MMI.

An analysis of the reserves for 2024/25 indicates the following:

	General Fund		Education	
	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000
Balance b/f	**1,146**	**850**	**500**	**250**
Charges in the Year	(296)	(274)	(250)	0
Transfers to other reserves	0	0	0	0
Contributions	0	0	0	0
Balance c/f	**850**	**576**	**250**	**250**

The charges relate to additional premium costs and excesses and the contributions to interest as well as contributions from services.

For 2024/25 self-insurance relates to the first £100,000 of each and every loss for all non-Education property claims, £250,000 in relation to Education property claims, £10,000 in relation to Investment property claims and £50,000 on each public liability claim, employers liability, libel and slander and officials' indemnity claims.

55. West Mercia Energy Joint Committee

West Mercia Energy (WME) is a Purchasing Consortium (formerly West Mercia Supplies (WMS) established in 1987) which is constituted as a Joint Committee (JC). Telford & Wrekin Council is one of four constituent authorities, the other three Councils are Worcestershire County Council, Herefordshire Council and Shropshire Council. On 19th April 2012, the stationery division of WMS - JC was sold with only the energy division being retained by the four member authorities. The energy division trades under the name "West Mercia Energy".

Telford & Wrekin Council has reviewed the accounting treatment that should be applied and has concluded that WME is a Joint Venture. Under International Accounting Standards, Group Accounts should be prepared unless it is considered not to be material.

The conclusion of the Council is that the exclusion of its share of WME's assets, liabilities, income, expenditure and cash flows from the Council's own accounts will not be material to the fair presentation of the financial position and transactions of the Council and to the understanding of the Statement of Accounts by a reader.

However, in the interests of transparency and accountability the unaudited 2024/25 balances of WME - JC are included below, along with an analysis of this Council's proportion of those balances based on an estimated share of 25.68%. The WME balance sheet has been provided by Shropshire Council, in their capacity as provider of the Section 151 role to the joint committee.

Turnover for WME for 2024/25 was £178.323m, of which £5.717m related to charges to the Council which are included in the CIES.

Extract from WME Balance Sheet	2024/25 £000	Telford & Wrekin Share £000
Long Term Assets		
Property, Plant & Equipment	5	1
Other Long-Term Assets	0	0
Current Assets		
Short Term Debtors	36,245	9,308
Cash and Cash Equivalents	16,520	4,242
Current Liabilities		
Short Term Creditors	(48,880)	(12,552)
Defined Benefit Pension Scheme		
Asset / (Liability)	98	25
Long Term Liabilities		
Other Long-Term Liabilities	0	0

Extract from WME Balance Sheet	2024/25 £000	Telford & Wrekin Share £000
Total Assets Less Liabilities	**3,988**	**1,024**
Financed By		
General Fund	1,916	492
Net Operating surplus	1,969	506
Capital Adjustment Account	5	1
Pension Reserve	98	25
Total Reserves	**3,988**	**1,024**

56. Apprentice Levy

The Apprentice Levy came into effect in April 2017. It is a government tax which aims to deliver new apprenticeships. All UK employers who have a total employee pay bill above £3m must pay the levy. The levy rate is 0.5% of the pay bill and includes schools. The money is collected by HMRC and is held in a Digital Apprenticeship Service (DAS) account which can be accessed to fund apprentice training. The levy has been treated as an employee expense in the CIES. The total amount paid in 2024/25 was £0.651m (2023/24 £0.654m).

2024/25

COLLECTION FUND ACCOUNT

Collection Fund Account 2024/25

The Collection Fund is a statutory account showing the transactions of the billing authority in relation to the collection of council tax and non-domestic rates from taxpayers and the distribution to local authorities and Central Government.

	Business Rates £000	Council Tax £000	Total £000
INCOME			
Council Tax Receivable		119,529	119,529
Business Rates Receivable	79,085		79,085
Transition Protection Payments Receivable	1,142	0	1,142
	80,227	**119,529**	**199,756**
EXPENDITURE			
Apportionment of prior year surplus / (deficit)			
Central Government	(1,896)		(1,896)
Telford & Wrekin Council	(1,858)	1,416	(442)
West Mercia Police Authority		240	240
Shropshire & Wrekin Fire Authority	(38)	101	63
	(3,792)	**1,757**	**(2,035)**
Precepts & Demands			
Central Government	40,166		40,166
Telford & Wrekin Council	39,363	86,953	126,316
West Mercia Police Authority		15,699	15,699
Shropshire & Wrekin Fire Authority	803	6,477	7,280
Parish / Town Councils		6,139	6,139
	80,332	**115,268**	**195,600**
Charges to Collection Fund			
Write offs of uncollectable amounts	370	835	1,205
Increase / (decrease) in provision	195	313	508
Cost of collection	217	547	764
	782	**1,695**	**2,477**
Surplus / (Deficit) arising during the year	**2,905**	**809**	**3,714**
Surplus / (Deficit) b/fwd 1st April 2024	(3,320)	2,899	(421)

Surplus / (Deficit) c/fwd 31st March 2025	**(415)**	**3,708**	**3,293**

Notes To Collection Fund Accounts

CF1. Income Collectable from Business Rate Payers

Telford & Wrekin Council is the billing authority for NDR and retains 49% share of the total collected and distributes the remaining balance to Central Government (50%) and Shropshire & Wrekin Fire Authority (1%).

At 31 March 2025, the total non-domestic rateable value for all business premises in Telford & Wrekin was £196,198,634 (£193,585,824 at 31 March 2024).

The multipliers set by Government to calculate rate bills in 2024/25 were 54.6p standard and 49.9p small business.

2023/24 £000		2024/25 £000
76,304	Gross yield for the year	79,612
(1,315)	Adjustments for Reductions & Transitional Relief	615
74,989	**Total**	**80,227**

CF2. Allocation of Fund Balance (NDR)

2023/24 £000		2024/25 £000
(1,627)	Telford & Wrekin Council	(203)
(33)	Shropshire Fire Service	(4)
(1,660)	Central Government	(208)
(3,320)	**Total Surplus / (Deficit)**	**(415)**

CF3. Council Tax Base for 2024/25

The council tax base consists of the number of chargeable dwellings in each valuation band adjusted to reflect discounts and other variations. The total tax base is calculated by converting each band to its Band D equivalent and providing for losses and variations during the year of collection.

2023/24 Equivalent Band D Dwellings		Number of Dwellings	Discounted Dwellings	Net Dwellings	2024/25 Equivalent Band D Dwellings
11,746.9	Band A	26,881.0	(9,061.4)	17,819.6	11,868.6
13,345.7	Band B	22,382.0	(4,901.2)	17,480.8	13,596.2
10,421.0	Band C	14,253.0	(2,073.6)	12,179.4	10,826.2
8,675.3	Band D	9,768.0	(897.3)	8,870.7	8,870.7
6,207.5	Band E	5,642.0	(395.7)	5,246.3	6,412.1
3,320.8	Band F	2,479.0	(144.7)	2,334.3	3,371.8
1,778.8	Band G	1,167.0	(75.8)	1,091.2	1,818.6
77.0	Band H	52.0	(11.5)	40.5	81.0
55,573.0	**TOTAL**	**82,624.0**	**(17,561.2)**	**65,062.8**	**56,845.2**
(257.1)	Adjustments for growth and losses				(271.4)
55,315.9	**Tax base for year**				**56,573.8**
£1,935.60	Average Council Tax for year				£2,037.48

2023/24 £000		2024/25 £000
107,069	Gross Yield	115,268
3,695	Add increase in debit net of exemptions and reliefs	4,260
110,764		**119,528**

CF4. Allocation of Fund Balance (Council Tax)

2023/24 £000		2024/25 £000
2,289	Telford & Wrekin Council	2,946
387	West Mercia Police Authority	496
223	Shropshire Fire Authority	266
2,899	**Total Surplus / (Deficit)**	**3,708**

2024/25

GROUP ACCOUNTS

Group Accounts

Introduction

During 2015/16 the Council established a Wholly Owned Company (Nuplace Ltd) for the provision of market rented housing in the Borough. The company was set up primarily to improve standards in the private rented sector and to offer homes for life to tenants operated by a responsible and responsive landlord. The standard financial statements consider the Council only as a single entity, accounting for its interests in other organisations only to the extent of its investment, and not current performance and balances. Thus a full picture of the Council's economic activities, financial position, service position, accountability for resources and exposure to risk is not presented in the Council's single entity financial statements.

As a result, group financial statements are produced to reflect the extent of Telford & Wrekin Council's involvement with its group undertakings in order to provide a clearer picture of the Council's activities as a group. The group accounts contain core financial statements similar to those included in the Council's single entity statements, consolidated with figures from organisations considered to be part of the group.

The following pages include:

- Group Expenditure and Funding Analysis
- Group Comprehensive Income and Expenditure Statement
- Reconciliation of the Single Entity Deficit to the Group Deficit
- Group Movement in Reserves Statement
- Group Balance Sheet
- Group Cash Flow Statement
- Notes to the Group Accounts where they differ from the notes to the Single Entity Accounts

The Narrative Report has not been replicated in the Group Accounts as the overview below provides a summary of NuPlace performance for 2024/25.

The group financial statements are presented in accordance with the IFRS based Code.

Nuplace Ltd's property assets were valued on 31st March 2025 by Registered Valuer's of Telford & Wrekin Council. The valuations were in accordance with the required valuation standards. The valuation of each property was on the basis of current value, which equates to the Market Value. Investment property is initially valued at cost, and recognised once the entire development has been completed, and then revalued annually. Investment properties are not depreciated as they are anticipated to appreciate in value.

Accounting policies are aligned between the group members.

The Group Accounts will be audited by KPMG LLP who also audit the Council's accounts.

Nuplace Limited – 2024/25 Overview

Nuplace Limited was incorporated on 1 April 2015. Nuplace Ltd is a wholly owned subsidiary of Telford and Wrekin Council, limited by shares.

The principal activity of the company is the procurement of the construction and management of private and affordable residential property for rent. In addition, the company aims to:

- Raise the standard of rental provision, both in terms of the quality of the rental homes and the landlord service.
- Deliver added value and stimulate local economic growth through supply chain engagement, offering skills and employment opportunities and working with the community.
- Develop brownfield and stalled sites in order to deliver widespread regeneration benefits.

2024/25 was the ninth year of operation for Nuplace Ltd, the Council's wholly owned housing investment company. It was set up primarily to improve standards in the private rented sector and to offer homes for life to tenants operated by a responsible and responsive landlord. The principal activity of which is the procurement of the construction and management of private and affordable residential property for rent. During 2021/22, Nuplace Ltd established the sub brand known as Telford & Wrekin Homes, intended to acquire and refurbish existing housing stock, to provide a further product within the private rental sector, continuing to raise the bar in terms of property and tenancy management.

At 31 March 2025, Nuplace's housing portfolio comprised of 608 homes. Upon completion of the dwellings currently under construction, the programme will have resulted in the regeneration of over 47.94 acres of brownfield land and refurbished or converted 4,656 sqm of redundant floor space, addressing stalled sites and bringing back into use redundant and underused premises.

During the year, works were completed at Wild Walk, Donnington and the former New College site in Wellington, with all 86 houses tenanted by the year end. The Telford and Wrekin Homes portfolio has increased by 32 over the year, with houses acquired across the borough.

Work has commenced on site to build 28 homes on the former Abacus Nursery site in Ketley Bank, including 7 converted dwellings alongside 21 new builds, to help safeguard a building of historical significance on a prominent site within the locality.

Work has continued on the schemes being jointly delivered with Telford & Wrekin Council, including -

- The Gower, St Georges, with the construction of 10 new build properties alongside the creation of 3 converted dwellings within the Grade 2 listed building,
- Limes Walk, Oakengates involving the conversion and creation of 10-, one- and two-bedroom apartments, as part of a wider regeneration scheme. Completed properties are due to transfer from Telford & Wrekin Council to Nuplace in 2025/26,
- Walker Street, Wellington, where work is ongoing to convert a redundant space within a historic building into 9-, one- and two-bedroom dwellings, as part of a wider regeneration project, and

- Work has commenced on the mixed-use scheme within the Station Quarter area of Telford Town Centre which will see the delivery of 117 town houses and apartments for Nuplace, kick-starting the creation of a "city living" offer within Nuplace's predominantly suburban portfolio. This scheme is being delivered in conjunction with Telford & Wrekin Council as part of the wider Station Quarter regeneration project with the homes being transferred to Nuplace upon practical completion. The first 84 furnished apartments are due to be completed in March 2026, followed by a further 33 townhouses in early 2027.

A further 32 properties have been acquired and refurbished in year as part of the Telford & Wrekin Homes Programme bringing the total properties held within the Telford & Wrekin programme to 56 against a target of 100, with further acquisitions planned in 2025/26.

There is a strong pipeline of properties at feasibility stage as part of the ongoing programme with further planning applications being brought forward in the year ahead.

In accordance with the Company's accounting policy, the housing portfolio was revalued at the year end, which has resulted in an increase in value of 6.3% (£5.6m) over all completed sites. The total value of fixed assets on Nuplace Ltd's Balance Sheet at 31 March 2025 is £122.8m

Nuplace Ltd is a separate legal entity and as such will prepare its own Statement of Accounts and comply with company regulations. The accounts will be independently audited by Dyke Yaxley. Nuplace Ltd.'s audited accounts will be published on the Council's website once finalised.

As Nuplace Ltd is wholly owned by Telford & Wrekin Council, the Council is required to prepare Group Accounts as part of its Statement of Accounts for 2024/25 which will consolidate the Council and Nuplace Ltd.'s financial position. The consolidated Group Accounts will be audited by KPMG LLP.

Nuplace Ltd distributed a final dividend of £0.012 per ordinary share registered on 5th February 2025, totalling £302,400. The company reported an operating profit before taxation of £0.687m, £0.448m after tax. It should be noted that the Council has received income totalling £2.0m from Nuplace Ltd during 2024/25 net of additional interest and other costs which is a combination of interest paid relating to the loan agreement, dividend income and services Nuplace Ltd purchased from the Council. The Council will also benefit from additional Council Tax, and New Homes Bonus as Nuplace Ltd properties are completed. The financial benefits that arise from Nuplace Ltd are invested in providing front line services such as providing Adult Social Care and have helped to reduce the budget savings that would otherwise have had to been made as a result of Government grant cuts.

2024/25
GROUP EXPENDITURE & FUNDING ANALYSIS

Group Expenditure & Funding Analysis

The EFA is not a Primary Financial Statement and as such should be treated as a note to the accounts. The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the local authority in comparison with those resources consumed or earned by the authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. See Expenditure and Funding Analysis, Note 1 of the single entity accounts.

2023/24 Restated				**2024/25**		
Net Expenditure Chargeable to the General Fund Balance	**Adjustments Between the Funding and Accounting Basis**	**Net Expenditure in the Comprehensive Income & Expenditure Statement**	**SERVICE**	**Net Expenditure Chargeable to the General Fund Balance**	**Adjustments Between the Funding and Accounting Basis**	**Net Expenditure in the Comprehensive Income & Expenditure Statement**
73,868	(1,882)	71,986	Adult Social Care	77,787	(2,365)	75,422
49,921	(3,877)	46,044	Children's Safeguarding & Family Support	49,335	(4,033)	45,302
(28)	884	856	Corporate Communications	0	782	782
(11,141)	(432)	(11,573)	Council Wide	(11,127)	2,782	(8,345)
7,337	446	7,783	Education & Skills	6,958	32,330	39,288
118	23,677	23,795	Finance, People & IDT	12,495	3,561	16,056
43	343	386	Health & Wellbeing	403	158	561
7,163	(1,734)	5,429	Housing, Customer & Commercial Services	4,377	(1,349)	3,029
25,698	7,321	33,019	Neighbourhood & Enforcement Services	26,114	7,004	33,118
1,346	4,606	5,952	Policy & Governance	1,429	3,969	5,398
(7,798)	11,092	3,294	Prosperity & Investment	(10,098)	45,858	35,760
146,527	**40,444**	**186,971**	**Net Cost Of Services**	**157,673**	**88,698**	**246,371**
(146,415)	(44,636)	(191,051)	Other Income & Expenditure	(157,678)	(31,449)	(189,127)
112	**(4,192)**	**(4,080)**	**(Surplus) or Deficit**	**(5)**	**57,249**	**57,244**
3,708			**Opening General Fund Balance**	**3,429**		
(112)			Surplus of (Deficit) for year	5		
(167)			Other approved uses	(216)		
3,429			**Closing General Fund Balance**	**3,218**		

2024/25

GROUP CORE

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

Group Comprehensive Income and Expenditure Account

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

SERVICE	2023/24 Restated			2024/25		
	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000
Adult Social Care	116,876	44,890	71,986	124,312	48,890	75,422
Children's Safeguarding & Family Support	60,413	14,369	46,044	59,696	14,394	45,302
Corporate Communications	895	39	856	823	41	782
Council Wide	9,098	20,671	(11,573)	15,010	23,355	(8,345)
Education & Skills	154,179	146,396	7,783	193,277	153,989	39,288
Finance, People & IDT	31,574	7,779	23,795	23,257	7,201	16,056
Health & Wellbeing	10,873	10,487	386	11,423	10,862	561
Housing, Customer & Commercial Service	83,154	77,725	5,429	83,555	80,526	3,029
Neighbourhood & Enforcement Services	45,933	12,914	33,019	47,081	13,963	33,118
Policy & Governance	8,318	2,366	5,952	8,480	3,082	5,398
Prosperity & Investment	28,133	24,829	3,304	65,161	29,401	35,760
Net Cost of Services	**549,446**	**362,475**	**186,971**	**632,075**	**385,704**	**246,371**
Other Operating Expenditure			4,548			3,989
Financing and Investment Income and Expenditure			16,677			13,937
Taxation & Non-Specific Grant Income and Expenditure			(212,276)			(207,053)
(Surplus) or deficit on provision of services			**(4,080)**			**57,244**
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			10,103			(16,389)
(Surplus) or deficit on revaluation of Available For Sale Financial Assets			0			0
Re-measurements of the net defined benefit pension liability			(72,655)			(1,046)
Other Comprehensive Income & Expenditure			**(62,552)**			**(17,435)**
Total Comprehensive Income and Expenditure			**(66,632)**			**39,809**

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Group, analysed into 'useable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	General Fund Balance & reserves	Capital Grants Unapplied	**Total Useable Reserves**	Unusable Reserves	**Total Authority Reserves**	**Authority' s share of the reserves of the subsidiary**	**Total Authority Reserves**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Balance at 31st March 2023 Brought Fwd	**115,927**	**12,750**	**128,677**	**231,545**	**360,222**	**19,555**	**379,777**
Total Comprehensive Income and Expenditure Surplus / (Deficit)	4,208	0	**4,208**	57,804	**62,014**	4,618	**66,632**
Adjustments between accounting basis & funding basis under regulations	(25,037)	14,854	**(10,183)**	10,183	**0**	0	**0**
Increase/ (Decrease) in 2023/24	**(20,829)**	**14,854**	**(5,975)**	**67,989**	**62,014**	**4,618**	**66,632**
Balance at 31st March 2024 Carried Fwd	**95,098**	**27,604**	**122,702**	**299,534**	**422,236**	**24,173**	**446,409**
Total Comprehensive Income and Expenditure Surplus / (Deficit)	(57,158)	0	**(57,158)**	11,811	**(45,347)**	5,538	**(39,809)**
Adjustments between accounting basis & funding basis under regulations	42,043	398	**19,701**	(42,441)	**0**	0	**0**
Increase/ (Decrease) in 2024/25	**(15,115)**	**398**	**(14,717)**	**(30,630)**	**(45,347)**	**5,538**	**(39,809)**
Balance at 31st March 2025 Carried Fwd	**79,983**	**28,002**	**107,985**	**268,904**	**376,889**	**29,711**	**406,600**

Group Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are useable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line Adjustments between accounting basis and funding basis under regulations.

31 March 2024 £000		Note	31 March 2025 £000
855,054	Property, Plant & Equipment	GN4	869,014
0	Right of Use Assets		11,932
46,575	Investment Property		48,763
6,527	Intangible Assets		7,887
0	Long Term Investments		0
773	Long Term Debtors		862
908,929	**Total Long-Term Assets**		**938,458**
253	Inventories		230
57,985	Debtors		58,223
1,544	Assets Held for Sale		1,536
18,739	Cash and Cash Equivalents		24,420
78,521	**Current Assets**		**84,409**
(3,595)	Provisions		(2,783)
(134,232)	Short term Borrowing		(187,257)
(103,345)	Creditors		(104,446)
(241,172)	**Current Liabilities**		**(294,486)**
(162,652)	**Net Current Assets/(Liabilities)**		**(210,077)**
(237,092)	Less Long-Term Borrowing		(247,646)
(41,967)	Less Long-Term Creditors		(56,129)
(17,389)	Less Pensions Liability		(14,353)
(3,421)	Capital Grants Receipts in Advance		(3,653)
(299,869)	**Long Term Liabilities**		**(321,781)**
446,409	**Net Assets**		**406,600**
122,739	Useable Reserves		107,939
323,670	Unusable Reserves		298,661
446,409	**Net Reserves**		**406,600**

Group Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2023/24 £000		2024/25 £000
(4,080)	Net (surplus) or deficit on the provision of services	57,244
(29,448)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(53,103)
45,118	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	42,923
11,590	**Net cash flows from Operating Activities**	**47,064**
30,342	Investing Activities	14,762
(20,990)	Financing Activities	(67,507)
20,942	**Net (increase) or decrease in cash and cash equivalents**	**(5,681)**
39,681	Cash and cash equivalents at the beginning of the reporting period	18,739
18,739	Cash and cash equivalents at the end of the reporting period	24,420

Notes to the Group Financial Statements

Group Note 1. Accounting Policies

a) General

The single entity accounting policies are detailed on pages 67 - 82 have been adopted and applied to the group accounts.

b) Reasons for Consolidation

Nuplace Ltd is wholly owned by Telford & Wrekin Council. As the Council has significant influence and control over the company, in line with the CIPFA Code of Practice Group Accounts are produced which consolidate Telford & Wrekin single entity accounts and Nuplace Ltd.'s accounts.

c) Basis for Consolidation

Nuplace Ltd has been included in the accounts as a subsidiary under the requirements of IFRS 10 (Consolidated Finance Statements) by means of a line-by-line consolidation of the Comprehensive Income and Expenditure Statement and Balance Sheet. Figures have been consolidated based on the statement of accounts for 31st March 2025. Where figures in the group accounts differ materially from the Council's single entity accounts, the relevant explanatory notes have been prepared.

d) Property Plant and Equipment Recognition and Measurement

Nuplace Ltd.'s property assets are valued by Registered Valuer's of Telford & Wrekin Council in accordance with the required standards. The valuation of each property (site) is on the basis of fair value, which equates to the Market Value. Property is initially valued at cost and recognised at fair value once the construction has been completed on each development and subsequently revalued annually. Properties are not depreciated as it is anticipated that they will appreciate in value due to their nature.

Group Note 2. Prior Period Restatement

A review of the Councils Fixed Assets alongside the CIPFA Code of Practice, during the reporting period has concluded that several assets previously classified as Property Plant & Equipment align to the definition of Investment Property i.e. the reason for holding the assets as being held solely to earn rentals or for capital appreciation or both. As such these assets have been reclassified as Investment Property.

These reclassifications have impacted on previous years reported information in all the Primary Financial Statements and the Expenditure and Funding Analysis (EFA) which are re-presented below. The Code requires that the Balance Sheet for 2022/23 is also re-presented.

Prior Period Adjustments relating to 2022/23

Balance Sheet

	31 March 2023 £000	Reclassification of PPE to Investment Property £000	31 March 2023 Restated £000
Property, Plant & Equipment	865,085	(42,807)	822,278

	31 March 2023 £000	Reclassification of PPE to Investment Property £000	31 March 2023 Restated £000
Investment Property	0	42,807	42,807
Long Term Assets	871,102	0	871,102
Net Assets / (Liabilities)	**379,777**	**0**	**379,777**
Usable Reserves	128,845	0	128,845
Unusable Reserves	250,932	0	250,932
Net Reserve	**379,777**	**0**	**379,777**

Prior Period Adjustments relating to 2023/24

Expenditure and Funding Analysis

	2023/24				2023/24 Restated		
SERVICE	**Net Expenditure Chargeable to the General Fund Balance £000**	**Adjustments Between the Funding and Accounting Basis £000**	**Net Expenditure in the Comprehensive Income & Expenditure Statement £000**	**Reclassification of PPE to Investment Property £000**	**Net Expenditure Chargeable to the General Fund Balance £000**	**Adjustments Between the Funding and Accounting Basis £000**	**Net Expenditure in the Comprehensive Income & Expenditure Statement £000**
Adult Social Care	73,868	(1,882)	71,986	0	73,868	(1,882)	71,986
Children's Safeguarding & Family Support	49,921	(3,877)	46,044	0	49,921	(3,877)	46,044
Corporate Communications	(28)	884	856	0	(28)	884	856
Council Wide	(11,141)	(432)	(11,573)	0	(11,141)	(432)	(11,573)
Education & Skills	7,337	446	7,783	0	7,337	446	7,783
Finance, People & IDT	118	23,677	23,795	0	118	23,677	23,795
Health & WellBeing	43	343	386	0	43	343	386
Housing, Commercial & Customer Services	7,163	(1,734)	5,429	0	7,163	(1,734)	5,429
Neighbourhood & Enforcement Services	25,698	7,321	33,019	0	25,698	7,321	33,019
Policy & Governance	1,346	4,606	5,952	0	1,346	4,606	5,952
Prosperity & Investment	(7,798)	13,790	5,992	(2,698)	(7,798)	11,092	3,294
Net Cost of Services	**146,527**	**43,142**	**189,669**	**(2,698)**	**146,527**	**40,444**	**186,971**
Other Income & Expenditure	(146,415)	(44,636)	(191,051)	0	(146,415)	(44,636)	(191,051)
(Surplus) or Deficit	**112**	**(1,494)**	**(1,382)**	**(2,698)**	**112**	**(4,192)**	**(4,080)**
Opening General Fund Balance	3,708				3,708		
Surplus or (Deficit) for year	112				112		
Other approved uses	(167)				(167)		
Closing General Fund Balance	**3,429**				**3,429**		

Comprehensive Income & Expenditure Statement

SERVICE	2023/24 Gross Expenditure £000	2023/24 Income £000	2023/24 Net Expenditure £000	Reclassification of PPE to Investment Property £000	2023/24 Restated Gross Expenditure £000	2023/24 Restated Income £000	2023/24 Restated Net Expenditure £000
Adult Social Care	116,876	44,890	71,986		116,876	44,890	71,986
Children’s Safeguarding & Family Support	60,413	14,369	46,044		60,413	14,369	46,044
Corporate Communications	895	39	856		895	39	856
Council Wide	9,098	20,671	(11,573)		9,098	20,671	(11,573)
Education & Skills	154,179	146,396	7,783		154,179	146,396	7,783
Finance, People & IDT	31,574	7,779	23,795		31,574	7,779	23,795
Health, Wellbeing & Commissioning	10,873	10,487	386		10,873	10,487	386
Housing, Commercial & Customer Services	83,154	77,725	5,429		83,154	77,725	5,429
Neighbourhood & Enforcement Services	45,933	12,914	33,019		45,933	12,914	33,019
Policy & Governance	8,318	2,366	5,952		8,318	2,366	5,952
Prosperity & Investment	30,831	24,829	5,992	(2,698)	28,133	24,829	3,304
Net Cost of Service	**552,144**	**362,475**	**189,669**	**(2,698)**	**549,446**	**362,475**	**186,971**
Other Operating Expenditure			4,548	0			4,548
Financing & Investment Income & Expenditure			16,677	0			16,677
Taxation & Non Specific Grant Income & Expenditure			(212,276)	0			(212,276)
(Surplus) or Deficit on Provision of Services			**(1,382)**	**(2,698)**			**(4,080)**
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			7,405	2,698			10,103
(Surplus) or deficit on revaluation of Available for Sale financial assets			0	0			0
Re-measurements of the net defined benefit pension liability			(72,655)	0			(72,655)
Other Comprehensive Income & Expenditure			**(65,250)**	**2,698**			**(62,552)**
Total Comprehensive Income and Expenditure			**(66,632)**	**0**			**(66,632)**

Movement in Reserves Statement

	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Authority's Share of the Subsidiary's Reserves £000	Total Group Reserves £000
Balance at 31 March 2023 Brought Forward	**128,677**	**231,545**	**360,222**	**19,555**	**379,777**
Total Comprehensive Income and Expenditure	1,510	60,504	**62,014**	**4,618**	**66,632**
Adjustments between accounting basis & funding basis under regulations (Note 14)	(7,485)	7,485	**0**	**0**	**0**
Increase/ (Decrease) in 2023/24	**(5,975)**	**67,989**	**62,014**	**4,618**	**66,632**
Balance at 31 March 2024 carried forward	**122,702**	**299,534**	**422,236**	**24,173**	**446,409**
Reclassification of PPE to Investment Property	2,698	(2,698)	**0**	**0**	**0**
Restatement of Total Comprehensive Income and Expenditure	4,208	57,806	**62,014**	**4,618**	**66,632**
Restatements of Adjustments between accounting basis & funding basis under regulations (Note 14)	(10,183)	10,183	**0**	**0**	**0**
Increase/ (Decrease) in 2023/24 Restated	**(5,975)**	**67,989**	**62,014**	**4,618**	**66,632**
Balance at 31 March 2024 carried forward Restated	**122,702**	**299,534**	**422,236**	**24,173**	**446,409**

Balance Sheet

	31 March 2024 £000	Reclassification of PPE to Investment Property £000	31 March 2024 Restated £000
Property, Plant & Equipment	901,630	(46,575)	855,055
Investment Property	0	46,575	46,575
Long Term Assets	908,930	0	908,930
Net Assets / (Liabilities)	**446,409**	**0**	**446,406**
Usable Reserves	122,702	0	122,702
Unusable Reserves	323,670	0	323,670
Net Reserve	**446,409**		**446,409**

Cash Flow Statement

	2023/24 £000	Reclassification of PPE to Investment Property £000	2023/24 Restated £000
Net (surplus) or deficit on the provision of services	(1,382)	(2,698)	4,080
Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 36)	(32,681)	3,233	(29,448)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 37)	45,118	0	45,118
Net cash flows from Operating Activities	**11,055**	**535**	**11,590**
Investing Activities (Note 38)	30,877	(535)	30,342
Financing Activities (Note 39)	(20,990)	0	(20,990)
Net (increase) or decrease in cash and cash equivalents	**20,942**	**0**	**20,942**
Cash and cash equivalents at the beginning of the reporting period	**39,681**	**0**	**39,681**
Cash and cash equivalents at the end of the reporting period (Note 25)	**18,739**	**0**	**18,739**

Group Note 3. Reconciliation of the Single Entity Deficit on Provision of Services to the Group Deficit

2023/24 £000		2024/25 £000
(1,510)	**Deficit/(Surplus) from the Single Entity Accounts (page 63)**	**57,158**
(253)	Deficit/(Surplus) contained within Subsidiary Accounts	(448)
381	Removal of Trading Surpluses from Single Entity Accounts	534
(1,382)	**Deficit/(Surplus) in Group Accounts (page 163)**	**57,244**

Group Note 4. Property, Plant & Equipment (PPE)

The Council has established a Wholly Owned Company (NuPlace Ltd) for the provision of market rented housing in the Borough and primarily to improve standards in the private rented sector and to offer homes for life to tenants operated by a responsible and responsive landlord. Continued investment has allowed Nuplace Ltd to strengthen and grow and is being used to develop a number of brownfield sites within the borough which have historically been problematic within communities. The Council consolidates NuPlace Ltd.'s assets as PPE – Other Land & Buildings.

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Gross Book Value Brought Forward (Restated)	**598,816**	**41,951**	**31,955**	**0**	**672,722**
Additions	24,967	653	22,805	0	**48,425**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	10,286	0	0	0	**10,286**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(38,386)	(703)	(9,178)	0	**(48,267)**
Derecognition – disposals	0	0	0	0	**0**
Assets reclassified (to)/from PPE	7,217	0	(14,956)	(7,739)	**0**
Assets reclassified (to)/from Investment Properties	0	0	0	0	**0**
Assets reclassified (to)/from Intangible Assets	0	0	0	0	**0**
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	**0**
Assets reclassified (to)/from Right of Use	0	(41)	0	0	**(41)**
Gross Book Value at 31 March 2025	**602,900**	**41,860**	**30,626**	**7,739**	**683,125**
Less Accumulated Depreciation					
Balance Brought Forward (Restated)	**15,759**	**38,186**	**0**	**0**	**53,945**
Depreciation charge	8,657	987	0	0	**9,644**
Depreciation written out to the Revaluation Reserve	(6,104)	0	0	0	**(6,104)**
Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	(3,005)	(595)	0	0	**(3,600)**
Impairment loss/(reversals) recognised in the surplus/deficit on the Provision of Services	0	0	0	0	**0**
Derecognition – disposals	0	0	0	0	**0**
Depreciation at 31 March 2025	**15,307**	**38,578**	**0**	**0**	**53,885**
Net Book Value					
at 31 March 2025	**587,593**	**3,282**	**30,626**	**7,739**	**629,240**
at 31 March 2024	**583,057**	**3,765**	**31,955**	**0**	**618,777**

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Nature of Holding as 31 March 2025					
Owned	348,900	3,282	4,840	7,739	**364,761**
Property Investment Portfolio	107,264	0	18,034	0	**125,298**
Subsidiary	112,885	0	7,752	0	**120,637**
PFI	18,544	0	0	0	**18,544**
Total	**587,593**	**3,282**	**30,626**	**7,739**	**629,240**

Comparative year: 2023/24

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Gross Book Value Brought Forward	**590,143**	**40,921**	**14,512**	**0**	**645,576**
Additions	37,804	1,030	15,878	0	**55,712**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(18,904)	0	0	0	**(18,904)**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(8,643)	0	0	0	**(8,643)**
Derecognition – disposals	(19)	0	0	0	**(19)**
Assets reclassified (to)/from PPE	(1,565)	0	1,565	0	**0**
Assets reclassified (to)/from Investment Properties	0	0	0	0	**0**
Assets reclassified (to)/from Intangible Assets	0	0	0	0	**0**
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	**0**
Gross Book Value at 31 March 2024	**598,816**	**41,951**	**31,955**	**0**	**672,722**
Less Accumulated Depreciation					
Balance Brought Forward	**15,922**	**36,952**	**0**	**0**	**52,874**
Depreciation charge	9,207	1,234	0	0	**10,441**
Depreciation written out to the Revaluation Reserve	(8,802)	0	0	0	**(8,802)**
Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	(568)	0	0	0	**(568)**

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Impairment loss/(reversals) recognised in the surplus/deficit on the Provision of Services	0	0	0	0	**0**
Derecognition – disposals	0	0	0	0	**0**
Depreciation at 31 March 2024	**15,759**	**38,186**	**0**	**0**	**53,945**
Net Book Value					
at 31 March 2024	**583,057**	**3,766**	**31,955**	**0**	**618,778**
at 31 March 2023	**574,221**	**3,970**	**14,512**	**0**	**592,703**
Nature of Holding as 31 March 2024					
Owned	372,927	3,724	1,565	0	**378,216**
Leased	0	41	0	0	**41**
Property Investment Portfolio	92,716	0	30,390	0	**123,106**
Subsidiary	99,071	0	0	0	**99,071**
PFI	18,343	0	0	0	**18,343**
Total	**583,057**	**3,765**	**31,955**	**0**	**618,777**

Property Plant & Equipment Reconciliation to Balance Sheet

2023/24 £000		2024/25 £000
236,277	Infrastructure Assets (Single Entity Accounts only)	239,774
618,777	Other PPE assets (Group Accounts)	629,240
855,054	**Total PPE Assets as per Balance Sheet**	**869,014**

Glossary

Academy Schools	A school that chooses to opt out of Local Authority control and receives its funding direct from the Education Funding Agency.
Accounting Policies	The accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 issued by the Chartered Institute of Public Finance & Accountancy and comply with the International Financial Reporting Standards (IFRS) approved by the Financial Reporting Advisory Board.
Accruals	The concept that items of income and expenditure are recognised as they are earned or incurred, not as money is received or paid.
Balances	See Reserves and Balances.
Balance Sheet	A statement of recorded assets and liabilities at a given point in time i.e. 31st March for Local Authorities.
Business Rates	This is the income collected from business premises in respect of National Non Domestic Rates. Also known as Non Domestic Rates (NDR) and Retained Business Rates.
Business Rates Retention	Local Government Funding scheme under which councils retain 50% of business rates revenue locally.
Budget	The financial statement reflecting the Council's policies over a period of time i.e. what the Council is going to spend to provide services.
Capital Expenditure	Expenditure on items that have a life of more than one year, such as buildings, land, major equipment.
Capital Financing Requirement	A measure of an authority's underlying need to borrow or finance for a capital purpose.
Capitalisation	The means by which Government, exceptionally, permits local authorities to treat revenue costs as capital costs. Permission is given through capitalisation directions issued by the Secretary of State.
Capital Receipts	The proceeds from the disposal of land or buildings, or other assets. These can be used to finance new capital expenditure.
Capping	The Government has the power to tell Councils to set a lower council tax requirement if it thinks the year on year increase is excessive.
CIPFA	The Chartered Institute of Public Finance and Accountancy.
CIFPA Code of Practice	Code of Practice on local authority accounting in the United Kingdom which specifies the principles and practices required to be followed when preparing the Statement of Accounts.
CIPFA/SOLACE	CIPFA/SOLACE Delivering Good Governance in Local Government - Framework - CIPFA - the Chartered Institute of Public Finance and Accountancy, have worked with SOLACE -

	the Society of Local Authority Chief Executives and Senior Managers, to develop the good governance framework for local authorities based on the "The Good Governance Standards for Public Services" produced by the Office for Public Management.
Collection Fund	A separate statutory fund maintained by the Council, as billing authority, which records council tax and non-domestic rates collected, together with payments to precepting authorities (Police, Fire, Parishes), the Government and the Council's own General Fund.
Comprehensive Income & Expenditure Statement (CIES)	Summarised income and expenditure during the year by service area. Includes both revenue and capital items.
Contingent Asset	A possible asset whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity.
Contingent Liabilities	A possible obligation whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity.
Council Tax	The main source of local taxation to local authorities. Council tax is levied on dwellings within the local authority area by the billing authority.
Creditors	Represent the amount that the Council owes other parties, shown on the balance sheet at year end.
Debtors	Represents the amounts owed to the Council, shown on the balance sheet at year end.
Depreciation	The accounting term used to describe the write off of the reduction in value of a fixed asset due to wear and tear, passing of time.
Dedicated Schools Grant (DSG)	Specific ring-fenced grant allocated by the Department for Education for the funding of schools.
Defined Benefit Pension Scheme	Pension scheme in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.
Discounts	The benefit obtained from re-scheduling debt.
Financial Year	The local authority financial year commences 1 April and ends on the 31 March.
General Fund	A statutory fund which summarises the cost of all services provided by the Council (with the exception of Special Fund detailed below). The General Fund balance is the reserve held by the Council for general purposes
Group Accounts	Group Accounts have to be produced where a Council has an interest in another organisation, such as Nuplace, unless the interest is considered not material. Group Accounts consolidate

	the financial position of the Council and all organisations it has an interest in (subject to materiality).
Heritage Assets	Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained by the Council principally for their contribution to knowledge and culture.
International Accounting Standard 19 (IAS19)	Accounting for Retirement Benefits – local authorities are required to reflect the true value of the assets and liabilities relating to the Pension Fund in their financial statements. This creates a notional amount in the balance sheet and does not impact on council tax.
Impairment	A reduction in the value of a non-current asset below its carrying amount on the Balance Sheet.
Infrastructure Assets	Assets where there is no prospect of sale or alternative use, for example roads and footpaths.
Intangible Assets	An asset that does not exist in a physical sense but has a value to the Council, for example software licenses
Investment Properties	Property (land or building) which is held for economic regeneration purposes which also earn rentals or capital appreciation.
Leases	A contract, or part of a contract, that conveys the right to use to asset (the underlying asset) for a period of time in exchange for a consideration.
LOBO	A LOBO is a market loan to the Authority. LOBO stands for Lenders Option Borrowers Option. What this means is that the loan has a fixed interest rate but the lender has the option to increase that rate at specified intervals. If they exercise that option then the Authority has an option to either accept the new rate or repay the loan.
Materiality	A matter is material if its omission would reasonably influence the reader of the accounts. Materiality is authority-specific and is dependent on the nature and magnitude of the items to which the information relates.
MRP	Minimum Revenue Provision – This is the amount charged against the Income and Expenditure Account for the year in relation to the repayment of debt on borrowing in order to fund capital expenditure.
Net Book Value	The amount at which non-current assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.
Non Domestic Rates (NDR)	This is the income collected from business premises in respect of National Non Domestic Rates (NNDR). Also known as Non Domestic Rates (NDR), Business Rates and Retained Business Rates.
Outturn	Actual Expenditure and Income within a particular year.

Pension Fund	An employee's pension fund is maintained in order to make pension payments on retirement to participants. It is financed from contributions from the employing authority (The Council), the employee and investment returns.
Post Balance Sheet Events	Events, both favourable and unfavourable, which occur between the Balance Sheet date and the date the Statement of Accounts is signed by the Section 151 Officer.
Precept	Precepting authorities do not collect Council Tax and Business Rates directly, but instruct the Billing Authority to do so. Major preceptors include Shropshire & Wrekin Fire & Rescue Authority and West Mercia Police and Crime Commissioner. Parishes and Town Councils are local precepting authorities.
Premia	A penalty payment that may be incurred when debt is repaid early.
Private Finance Initiative (PFI)	A central Government initiative which aims to increase the level of funding available for public services by attracting private sources of finance. PFI are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services belongs to the PFI contractor. The authority is deemed to own the assets at the end of the contract and the assets are therefore carried on the Balance sheet as part of PPE.
Provisions	Amounts set aside for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise is uncertain.
Prudential Borrowing	The system which governs local authority borrowing, based on the requirement that capital expenditure plans are affordable, sustainable and prudent, as prescribed in CIPFA's prudential code.
Public Works Loans Board (PWLB)	A Government agency providing long and short term loans to local authorities at interest rates only slightly higher than those at which Government itself can borrow.
Reserves	Sums set aside in reserve for specific future purposes
Revenue Expenditure	Expenditure on the day to day running costs of the Council, such as salaries, wages, utility costs, repairs and maintenance.
Revenue Expenditure funded from Capital under Statute	Legislation allows some expenditure to be classified as capital although it does not result in the creation of a fixed asset. Examples of this are grants, advances and financial assistance to others, costs of stock issues, expenditure on properties not owned by the authority and amounts directed by the Government.
Revenue Support Grant (RSG)	The main Government grant given to Local Authorities to assist in paying for local services. The amount of RSG paid is calculated on the basis of a Settlement Funding Assessment, also determined by Government.

Reserves & Balances	Amounts set aside to meet future expenditure. Every local authority must maintain general balances as a matter of prudence.
Section 151	Section 151 of the Local Government Act 1972 requires that Council's nominate an officer to be responsible for the proper administration of their financial affairs (The Chief Financial Officer). For Telford & Wrekin this is the Director Finance, People & IDT.
Soft Loan	A loan granted at lower than the prevailing interest rate
Special Fund Revenue Account	Included in the Income And Expenditure Account but specifically summarises the cost of providing some specific services that in some areas are provided by Parish Councils but in others are provided by the Council.
Special Purchaser	A particular buyer for whom a certain asset has special value because of advantages arising from its ownership that would not be available to general buyers in the market.
Trading Services	A service run in a commercial style and provides services that are mainly funded from fees and charges levied on users.
Variance	The difference between budgeted expenditure and actual outturn. Also referred to as an over or under spend.
Virement	A switch of resource from one budget head to another. The rules concerning virement are contained in the Financial Regulations.

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Audit Committee

Wednesday 28 January 2026

Update on the AGS Action Plan for 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
Officer Contact Details:	**Tel:** 01952 383103 **Email:** robert.montgomery@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	SMT – 13 January 2026 Audit Committee – 28 January 2026

1.0 Recommendations for noting:

The Committee is asked to:-

1.1 Note the contents of the Annual Governance Statement (AGS) Action Plan for 2024/25 included as Appendix A.

2.0 Purpose of Report

2.1 The purpose of this report is to inform on the progress made in identifying actions as part of the Annual Governance Statement process for 2024-25.

3.0 Background

3.1 The Annual Governance Statement process for 2024/25 identified a small number of actions that required implementation to further develop the Council's governance arrangements. These actions were due to be implemented during 2025-26. See Appendix A for the updated position.

4.0 Summary of main proposals

4.1 The report is to update the Committee on the progress made in implementing the actions detailed in the AGS Action Plan 2024/25. This report is for information only.

5.0 Alternative Options

5.1 The Council has an alternative option not to maintain an AGS Action Plan.

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

8.0 Financial Implications

8.1 There are no financial implications directly arising from this report, however, it is noted on Reference 3 of the Appendix that there is a larger workforce strategy overhaul planned in 2026 and therefore, there may be financial costs / benefits associated to that area.

9.0 Legal and HR Implications

9.1 There are no direct legal or HR implications arising from this report, however, legal advice and support will be given where appropriate.

10.0 Ward Implications

10.1 The Council's governance arrangements encompasses all of the Council's activities across the Borough and therefore it operates within all Council wards detailed in the Parish Charter.

11.0 Health, Social and Economic Implications

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

12.0 Equality and Diversity Implications

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

13.0 Climate Change, Biodiversity and Environmental Implications

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

14.0 Background Papers

None.

15.0 Appendices

A Updated AGS Action Plan for 2024-25

16.0 Report Sign Off

Signed off by	**Date sent**	**Date signed off**	**Initials**
Director	15/01/2026	18/01/2026	ACL
Legal	5/01/2026	19/01/2026	EH
Finance	19/01/2026	19/01/2026	KP

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AGS ACTION PLAN FOR 2024/25 FOR IMPLEMENTATION DURING 2025/26

Ref	Area identified for development and/or ongoing monitoring	Actions	Lead Officers	Update as at January 2026
1	Ongoing savings proposals, budget constraints and continued strategic management of organisational changes. Ongoing from previous AGS	Continued management of budgets, savings, revised structures and commercial/business approach which links to the continued development and implementation of revised governance arrangements. Delivery of in year savings is monitored on a regular basis at SMT. Further consultations on future savings will be undertaken where necessary.	• Chief Executive • Senior Management Team	Achievement against in year savings is monitored through regular updates to SMT. This is tracked through the application of red, amber and green ratings to the delivery all savings proposals. Any non-delivery against savings is addressed through identifying alternative proposals to bridge any gaps. Financial Monitoring reports are taken through to SMT, Cabinet and Full Council during the year. These will identify any budget pressures arising which will include the non-delivery of savings. This will also include the identification of mitigating actions to cover identified pressures to ensure that the Council is spending within budget. Savings proposals for 26/27 have been worked up as part of the MTFS which is currently out for consultation

				until 3rd Feb and has also been subject to Scrutiny from the Business & Finance Scrutiny Committee. The MTFS is due for approval at full council on 26th February 2026. Savings will continue to be monitored in 26/27.
2	All internal audits include sending ethics questionnaires to a sample of staff in the team/area being audited. This is to demonstrate their understanding of corporate policies and whether staff feel supported. In a small number of questionnaire responses completed it was noted that not all staff: • Had received an Annual Performance & Development Discussion • Were familiar with particular Council policies	Report to SMT on the completion rate for Annual Performance & Development Discussion. Reports on the completion of essential learning will be presented to SMT periodically. A reminder will be sent to all staff on key corporate policies.	• Senior Management Team	APPD completion rates are now regularly reported to SMT on the MTB dashboard with details of any outstanding training being reported to SMT also. Policy updates sent to employees when they are launched/updated. Several are covered in essential learning.

	• Had completed all essential learning requirements These findings have been shared with Service Delivery Managers / Directors when discussing the audit report for their service with recommendations for rectification.			
3	The annual certification process highlighted that there had been some reduction in the number of appropriately skilled staff in some service areas although actions had been identified to address this. Recruitment of staff in local government, particularly in some professions, continues to be challenging. This results in some single points of failure or the use of temporary staff.	The Council continues to explore and implement a number of initiatives in respect to staffing including service and workforce planning, apprenticeship schemes, etc to support managers in addressing these areas. A revised workforce strategy will be launched in 2025 which will cover succession planning, single points of failure and ‘growing our own’. The Leadership & Management training and	Director: Finance, People & IDT	Strategic Workforce Planning completed with a number of pilot groups and is being rolled out to the wider authority through to the end of the financial 2025/26. Grow your own principles have been utilised in areas where recruitment is challenging, including apprenticeship strategy, work experience week, outreach work in partnership with Opus and Education & Skills, T-Level placements, rotation placements, career graded posts etc. Workforce strategy was refreshed in 2025, to include findings of 2024 employee survey. Larger overhaul of workforce strategy in 2026.

		learning programme continues for Team Leaders / Service Delivery Managers. The programme looks to support management development and to enable some resilience planning within the Council. The Council continues to monitor the effectiveness of different channels of recruitment it uses and is developing an employer value proposition, i.e. 'Why work for T&WC'. In 2024/25 the Council has continued to organise the Skills and Apprenticeship Show to support recruitment.		Phase 3 of the Team Leader management development programme. Repeated sessions to continue to pick up new managers. Leadership development for SMT and Heads of Service being explored. Employer Value proposition (EVP) has been developed in conjunction with Comms. Development of a strategy for the use of this EVP is in progress. The Councill will again organise the Skills Show in March 2026 and will have a sponsored stand as an employer.
4	Low/medium risk data breaches are being experienced in some Council Teams. Data breaches are reported to the Information Governance (IG) Team who	Incorporate data breach analysis into the Managing the Business dashboard presented to the Senior Management Team. Increase sharing of information internally of	Director: Policy & Governance	Data breach numbers are reported to SMT via the Managing the Business dashboard. Trends are monitored by the Information Governance Team and reminders sent corporately in respect to good practices.

	investigate the circumstances of the breach, assess the associated risk and ensure lessons learnt are identified. The Information Commissioner's Office have not taken any action against the Council is 2024/25.	trends around data breaches and 'near misses'. IG Team support for services who process high volumes of personal data. Continue to develop/invest in the Council's secure email functionality (Zivver).		The Information Governance Team continue to support teams who process high volumes of personal data by attending team meetings, high level discussions with managers, etc. Zivver development has continued with the introduction of new functionality such as the 'right recipient' feature. The Council has also undertaken mock email phishing exercises to raise awareness of cyber security and the risk this poses to data security.

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Borough of Telford and Wrekin

Audit Committee Report

28 January 2026

2025/26 Treasury Management Update Report and 2026/27 Treasury Management Strategy

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance, Governance & Customer Services
Lead Director:	Michelle Brockway - Director: Finance, People & IDT
Service Area:	Finance, People & IDT
Report Author:	Edward Rushton - Finance Manager
Officer Contact Details:	**Tel:** 01952 383750 **Email:** edward.rushton@telford.gov.uk
Wards Affected:	All wards
Key Decision:	Not Key Decision
Forward Plan:	11 September 2025
Report considered by:	SMT – 13 January 2026 Business Briefing – 22 January 2026 Audit Committee – 28 January 2026 Cabinet – 12 February 2026 Full Council – 26 February 2026

1.0 Recommendations for decision/noting:

Audit Committee Members are asked to recommend that Full Council:

1.1 Note the treasury management activities to 31 December 2025 (Appendix A),

1.2 Recommend that Full Council approves the Treasury Strategy 2026/27 (Appendix B), including the Annual Investment Strategy, together with the Minimum Revenue Provision Statement (Appendix B para 5.0), which will apply from 2025/26 onwards and Treasury Management Prudential Indicators (Appendix Bii), and

1.3 Note the Treasury Management Policy Statement (Appendix B para 6.0).

2.0 Purpose of Report

2.1 During the financial year the minimum reporting requirements, as required by regulations issued under the Local Government Act 2003, are 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 updates members on Treasury Management activities during 2025/26 (mid-year treasury update report) and details the Treasury Management Strategy recommended to be adopted for 2026/27 (annual treasury strategy). The 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).

3.0 Background

3.1 The strategy in 2025/26 and recent years has been to limit investments in third parties, which reduces the Council's exposure to counterparty risk, and where possible and appropriate to take advantage of lowest interest rates for borrowing. Maintaining high levels of very cheap temporary financing has generated surplus treasury management returns of more than £30m since 2015/16 which has reduced the impact of Government cuts to the Council's grants and therefore helped to protect front line services.

The Council's Medium Term Financial Strategy for 2025/26 and the Cabinet's proposals issued for consultation in January 2026 for 2026/27 to 2029/30 include an allowance for interest rates based on advice from the Council's independent treasury management advisors which ensures that the Council's budget in relation to Treasury Management is as robust as possible. The Council will continue to receive regular advice from independent expert advisors specialising in all aspects of local government treasury management and we will act in accordance with the advice received.

The report also sets out expected external financing requirements. We have an excellent track record of complying with all the treasury management and prudential indicators and limits agreed by Council and are operating well within the overall approved credit ceiling.

The proportion of the Council's net revenue budget used to service loan repayment at the time of the MTFS Strategy 2025/26 was 7.85% for the current financial year. This reflects a reduction of 0.17% on prior year. At the 31 December 2025 the projected figure for 2025/26 8.34% which reflects the current treasury management budget pressure included in the latest 2025/26 Financial Monitoring Report.

The Council has increased its external financing requirements in recent years to include investment in NuPlace which provides high quality homes for rent from a reliable landlord, mainly at market rent levels and has enabled brownfield sites to be brought back in to use. The council has also expanded the Property Investment Portfolio (the PIP) to attract and retain jobs for local people and to provide other regeneration benefits for our residents. An ancillary consequence of these investments is that it is anticipated they will bring long term capital growth which will strengthen the Council's balance sheet as well as generating revenue returns well in excess of the associated loan repayment charges. They will also bring other direct and indirect financial and other benefits to the residents of the Borough including additional income from council tax, business rates and new homes bonus which will be used to help support front line services such as Adult Social Care, as well as protecting and creating jobs for local people. The Council's solar farm generates an index linked surplus after covering all associated costs including debt charges each year which is also used to help support front line services. The net surplus in the current year is expected to be around £0.75m.

This report, and the Prudential Indicators report which will be considered by Cabinet on 12 February 2026 and Full Council on 26 February 2026, sets out our overall approach to treasury management and the controls that are put in place to ensure that council taxpayers' interests are protected, and risks are managed as effectively as possible.

4.0 Summary of main proposals

4.1 Treasury Management Update 2025/26

The full report is included an Appendix A.

Treasury Management Portfolio at 31 December 2025

	31.03.25 Actual £m	31.12.25 Actual £m	Movement Actual £m	31.03.26 Estimate £m
Capital Expenditure	87.194	78.880	-	124.317
Loans Capital Financing Requirement	577.123	636.985	59.862	636.985
Borrowing (excl. PFI)	434.903	460.442	25.539	491.115
Investments (excl. NuPlace)	22.062	24.905	2.843	15.000
Net indebtedness	**412.841**	**435.537**	**22.696**	**476.115**

The strategy for 2025/26 remained consistent with that outlined in the 2025/26 Treasury Management Strategy which was agreed for approval at Full Council on 27 February 2025 and by this committee on 29 January 2025. The Strategy is also a continuation of that used in recent years which has provided considerable benefits to the Council, i.e. to -

- take new borrowing within shorter maturities before gradually lengthening maturities, and
- take advantage of longer-term loans when opportunities arise.

Latest financial monitoring projections indicate a pressure of £0.24m from treasury management activity during 2025/26.

Economic Data (provided by MUFG)

The first half of 2025/26 saw:

- A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September,
- The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.6% in September,
- CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.5%,
- The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August (and subsequently to 3.75% in December), and
- The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).

Borrowing

DEBT PORTFOLIO	31.12.25 Principal £m	Average Interest Rate %
PWLB	279.3	3.37
LOBO and Fixed Rate Loans	30.0	4.15
Municipal Investment	0.1	2.10
Temporary Loans (Local to Local)	151.0	4.62
Total debt	**460.4**	**3.80**

To date in 2025/26 £17.6m of our PWLB loans have matured and a further £22.9m are due to mature before the end of the financial year. Five new PWLB loans totalling £45.0m have been raised in the year to date (see Appendix A para. 3.1). Alongside this, short term borrowing has been used to fund short term cash flow requirements.

As referred to in para. 3.1 above, a large part of the Council's total existing borrowing and planned further borrowings relates to funding projects which will deliver important and significant housing and regeneration benefits as well as generating some income. These are budgeted to generate returns in excess of the annual loan repayment charges and other operating costs.

The lender of one Lenders Option Borrowers Option (LOBO) loan has exercised their rights under the terms of the loan and the loan, £5m, has been repaid.

Investments

INVESTMENT PORTFOLIO	31.12.25 Actual £m	Average Interest Rate %	Weighted Credit Score
Treasury investments	24.905	4.11%	1.79

The overall investment strategy for 2025/26 is to gain maximum benefit but with security of the principal sum invested being the primary consideration. Overall, the weighted average return on all internal investments for the year to date is 4.11% with the paramount aim being to maintain security of principal investments have generally been placed with the Government's Debt Management Office. This return compares to a benchmark return for the period of 4.12% based on the average overnight rate with the Debt Management Office (DMO) or 4.17% had the Council pursued a riskier strategy and invested short term within the Local Authority to Local Authority temporary lending market.

A schedule of short-term investments as at 31 December 2025 is shown at Appendix A, Section 4.0.

The Markets in Financial Instruments Directive II (MIFID II) came into place on 3 January 2018 and the Council has opted to be categorised as a professional client which allows access to financial services and advice it may otherwise be unable to obtain (such as advice from our treasury advisors). As part of the regulations, the authority must hold a minimum investment balance which is currently set at £10m.

Treasury Management Advisor

The Authority uses MUFG Corporate Markets (MUFG) as its external treasury management advisors. MUFG currently provide treasury management advisory services to over 400 public sector clients in the UK and are experienced and well-resourced to support our treasury function.

4.2 2026/27 Treasury Management Strategy

The full report is included an Appendix B.

The Council's Treasury Management Strategy is set within the parameters of the relevant statute, guidance and accounting standards which include the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in Public Services (2021) and the Prudential Code (2021). The Council has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

4.2.1 2026/27 Borrowing Strategy

The Council is currently expected to need to borrow an additional £74.6m in 2026/27 based on the current capital programme plans and will adopt a flexible approach to borrowing. Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

With the forecast for interest rates expected to continue falling through the forecast horizon, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow through the use of short-term loans of up to 1 year. By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next year given to current downward trajectory in the interest rate forecast, over the medium-term we will make gradual moves into longer term borrowing as and when attractive opportunities arise. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years.

External advisors will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2026/27 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In consultation with its treasury management advisors consideration will be given to affordability, maturity profile of existing external financing, interest rate and refinancing risk as well as borrowing source, which is usually expected to be either Local Authorities or the Public Works Loan Board, but may also include Municipal Investment Loans, the LGA Municipal Bonds Agency, European Investment Bank or commercial sources, and any new opportunities which may arise, in accordance with the approved sources of borrowing.

This Strategy for 2026/27 is a continuation of the current Strategy approved by Full Council 27 February 2025.

4.2.2 2026/27 Treasury Investment Strategy

The strategy for any investments will generally be to minimise investments in order to reduce counter-party risk and to reduce net interest costs as longer-term borrowing rates will tend to be greater than we are able to earn on new investments, but we will look to lengthen investment periods, where cash flow permits, to achieve higher interest rates within acceptable risk parameters.

For its cash flow generated balances, the Authority will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

We would generally anticipate holding investments equal to the requirements set out under MIFID II, currently £10m. Maximum investment levels with counterparties will be set to ensure prudent diversification is achieved whilst recognising that the strict investment criteria that the Council applies severely reduces the number of suitable available counterparties and therefore sums with individual counterparties may be up to £15m at any one time.

4.2.3 2026/27 MRP Statement

The Council will calculate MRP by the following methods –

Historic MRP (re pre 2007/08 borrowing). This will be calculated by dividing the balance at 31/3/07 (calculated in accordance with regulations) by 50 for an annual charge that charges over a finite period rather than a 4% reducing balance. This methodology is broadly in line with Option 3.

MRP in respect of prudential borrowing (subject to the 5.1.2 and 5.1.3 below), government supported allocations since 2007/08 and PFI will be charged over the life of the asset on an annuity basis - Option 3 in the regulations.

Regulation 27(3) allows a local authority to charge MRP in the financial year following the one in which capital expenditure financed by debt was incurred. Therefore, capital expenditure financed by borrowing in 2024/25 will not be subject to an MRP charge until 2025/26, or in the financial year following the one which the asset first becomes available for use.

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

Capital loans

Regulation 27(4) allows a local authority to exclude capital loans that are financed by debt from the requirement to make MRP, provided the loan is not a commercial loan.

The Authority has issued capital loans that are categorised non-commercial loans and has chosen to not apply MRP in accordance with the statutory guidance.

Share Capital

Where an Authority incurs expenditure that is capitalised on or after April 2008, which is financed by borrowing for the acquisition of share capital, Regulation 25(1)(d) Acquisition of share capital sets out the maximum period for an authority to provide MRP of 20 years.

The Authority has incurred expenditure that has been capitalised which is financed from borrowing for the acquisition of share capital. This expenditure relates solely to share capital in NuPlace Ltd, the Council’s wholly owned subsidiary. MRP relating to such expenditure has been calculated in accordance with the statutory guidance, in line with Option 3 however the asset life has been included as 20 years.

4.2.4 Treasury Management Prudential Indicators

Capital Expenditure and Financing:

This prudential indicator is a summary of the Authority’s capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

Members are asked to approve the capital expenditure forecasts: -

Capital expenditure (£m)	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Total	87.173	124.317	116.316	101.594	51.158

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure (£m)	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital receipts	2.178	6.877	3.571	1.340	6.000
Capital grants	30.462	49.777	36.457	40.680	22.776
Revenue	0.258	0.841	0.250	0.000	0.000
External	10.020	3.548	1.426	0.000	0.000
Net financing need for the year	44.255	63.274	74.612	59.574	22.382
Total Financing	**87.173**	**124.317**	**116.316**	**101.594**	**51.158**

The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). See Table 2 – Capital Financing Requirement (CFR) in Section 1.7 above.

Members are asked to approve the CFR projections below:

Capital Financing Requirement (£m)	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Total CFR	618.293	676.078	746.733	798.211	811.474
Movement in CFR		57.785	70.655	51.478	13.263

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. The CFR Table above shows that the Authority expects to fully comply with this recommendation.

Limits to Borrowing Activity:

The Operational Boundary - this is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Members are asked to approve the following Operational Boundary Limits:

Operational Boundary (£m)	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	645.0	760.0	820.0	840.0
Other long-term liabilities	50.0	45.0	35.0	35.0
Total	**695.0**	**805.0**	**855.0**	**875.0**

The Authorised Limit for external debt - this is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

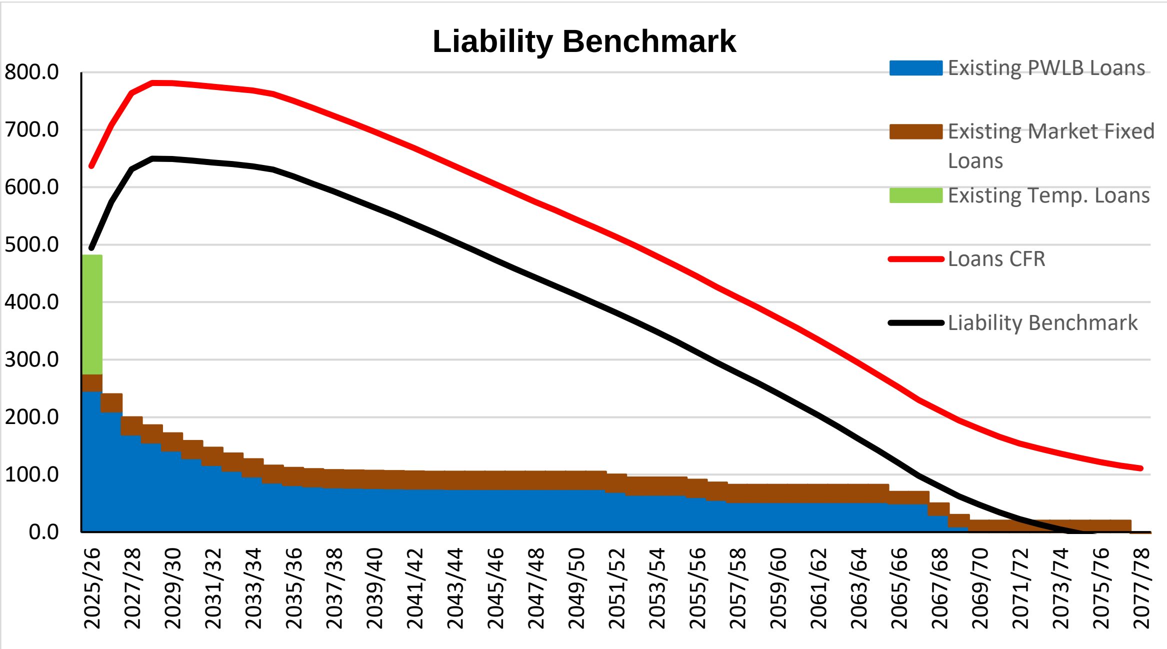
The Authority is asked to approve the following Authorised Limit:

Authorised Limit (£m)	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	665.0	780.0	840.0	860.0
Other long-term liabilities	54.0	50.0	40.0	40.0
Total	**719.0**	**830.0**	**880.0**	**900.0**

Liability benchmark:

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as the Capital Financing Requirement (CFR), but that cash and investment balances are kept to a minimum level of £15m at each year-end to maintain sufficient liquidity but minimise credit risk.

Liability Benchmark (£m)	31.3.25 Actual	31.3.26 Estimate	31.3.27 Forecast	31.3.28 Forecast	31.3.29 Forecast
CFR	618.293	676.078	746.733	798.211	811.474
Less: PFI & leases	41.170	39.093	38.638	34.668	30.065
Loans CFR	**577.123**	**636.985**	**708.095**	**763.543**	**781.409**
Less: Balance Sheet Resources	150.901	157.724	148.690	146.983	146.736
Net Loans Requirement	**426.222**	**479.261**	**559.405**	**616.560**	**634.673**
Plus: Liquidity Allowance	22.062	15.000	15.000	15.000	15.000
Liability Benchmark	**448.284**	**494.261**	**574.405**	**631.560**	**649.673**



Maturity Structure of Fixed Rate borrowing:

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

Maturity structure of fixed rate borrowing	Lower Limit for 2026/27 %	Upper Limit for 2026/27 %	Existing level 31.12.25 %
under 12 months	0	70	18.5
12 months and within 24 months	0	30	27.2
24 months and within 5 years	0	50	16.9
5 years and within 10 years	0	75	12.1
10 years and above	0	100	25.3

Security of Investments:

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

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

Credit Risk Indicator	Target	Current (31.12.25)
Portfolio average credit score	6 or lower, (which is equivalent to a credit rating of ‘A’ or higher)	1.79

Principal sums invested for periods longer than a year:

The purpose of this indicator is to control the Authority’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Limit on principal sums invested for periods longer than a year	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %
Limit on total investments	95	95	95

The full Treasury Management Strategy 2026/27 is contained at Appendix B.

5.0 Alternative Options

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

6.0 Key Risks

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

7.0 Council Priorities

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

8.0 Financial Implications

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

9.0 Legal and HR Implications

9.1 The Council's Treasury Strategy has to comply with the relevant statute, codes and guidance which are set out both in the main body of this report and its appendices. This report demonstrates that the Council has had regard to the CIPFA guidance as required by the Local Government Act 2003.

9.2 The Director: Finance, People & IDT (Section 151 Officer) has responsibility for the administration of the financial affairs of the Council. In providing this report the Director: Finance, People & IDT is meeting one of the responsibilities of the post contained within the Council's Constitution at Part 2, Article 12, paragraph 12.04(f) which states "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." This requirement within the Constitution reflects the requirements of the Local Government Finance act 1988 to appoint an officer who is responsible for the good financial administration of an authority.

9.3 The Local Government Finance Act 1992 requires authorities to set a balanced budget; the proposals in this report, together with other budget-related reports, demonstrates that the Council meets this requirement.

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 mission and 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. CIPFA Treasury Management in the Public Services – Code of Practice and cross-sectional guidance notes (2021 edition)
2. CIPFA The Prudential Code for Capital Finance in Local Authorities (2021 edition)
3. Local Government Act 2003
4. Treasury Management Strategy Statement (TMSS) Template provided by MUFG Corporate Markets

15.0 Appendices

A 2024/25 Treasury Management update Report
B 2025/26 Treasury Management Strategy

16.0 Report Sign Off

Signed off by	**Date sent**	**Date signed off**	**Initials**
Finance	07/01/2026	07/01/2026	ER
Legal	08/01/2026	09/01/2026	RP
Director	08/01/2026	09/01/2026	MLB

Treasury Update Report 2025/26

Telford & Wrekin Council

A glossary and list of abbreviations used in this report can be found at page 13

Contents

Treasury Management Update Report 2025/26

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce a Treasury Update Report to review activities and 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 (this 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 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 undertaken in January 2026 in order to support members' scrutiny role.

Executive Summary

During 2025/26, 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	31.03.2025 Actual £m	2025/26 Original £m	2025/26 Revised Estimate £m	31.12.25 Actual £m
Capital expenditure • Total	87.194	151.563	124.317	78.88
Capital Financing Requirement: • Total • Less Other Long-Term Liabilities • Loans CFR	618.293 (41.170) 577.123	670.577 (38.457) 632.120	676.078 (39.093) 636.985	676.078 (39.093) 636.985
Gross borrowing • External Debt Investments • Under 1 year Net borrowing • Total	434.903 22.062 412.841	502.877 15.000 487.877	491.115 15.000 476.115	460.442 24.905 435.537

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

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 & IDT confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit), was not breached.

2025/26 TREASURY MANAGEMENT UPDATE

1.0 Treasury Position as at 31 December 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 which includes member reporting as detailed in the summary.

At the 31 December 2025, the Councils treasury position (excluding borrowing by PFI and finance leases) was as follows:

TREASURY PORTFOLIO	31.03.25 Principal £m	31.12.25 Principal £m	Movement in Principal £m
Fixed rate debt (+1yr)	286.871	309.430	22.559
Temporary debt (-1yr)	148.032	151.012	2.980
Total debt	**434.903**	**460.442**	**25.539**
Less Total investments	**22.062**	**24.905**	**2,843**
Net debt (exc. Nuplace)	**412.841**	**435.537**	**22.696**
Less Investment in NuPlace	**27.300**	**28.867**	**1.567**
Net debt (inc. Nuplace)	**385.541**	**406.670**	**22.695**

The maturity structure of the debt portfolio was as follows:

MATURITY STRUCTURE – DEBT (assumes 31st March)	31.03.25 Actual		2025/26 original limits %		31.12.25 Actual	
	£m	%	Lower	Upper	£m	%
Under 12 months	187.257	43.1	0.0	70.0	85.305	18.5
12 months and within 24 months	34.062	7.8	0.0	30.0	125.405	27.2
24 months and within 5 years	36.787	8.5	0.0	50.0	77.960	16.9
5 years and within 10 years	55.725	12.8	0.0	75.0	55.891	12.1
10 years and above*	121.072	27.8	25.0	100.0	115.881	25.3

** this includes £15m Lenders Option Borrowers Options (LOBO) loans (£20m at 31.03.2025 as a £5m loan was called in June 2025) that are potentially callable at certain points before the maturity date.*

The maturity structure of the investment portfolio was as follows:

MATURITY STRUCTURE – INVESTMENTS (exc. NuPlace Ltd)	31.03.25 Actual £m	31.12.25 Actual £m
Investments		
Longer than 1 year	0.0	0.0
Up to 1 year	22.062	24.905
Total	**22.062**	**24.905**

2.0 Interest Rates and Economic Data (to 23 December 2025)

The first half of 2026/26 saw:

- A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September,
- The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.6% in September,
- CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.5%,
- The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August (and subsequently to 3.75% in December), and
- The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).

3.0 Borrowing

At the 31 December the Council's treasury (excluding borrowing by PFI and finance leases) position was as follows:

DEBT PORTFOLIO	31.12.25 Principal £m	Average Interest Rate %
Fixed rate funding:		
- PWLB	279.286	3.37
- Market Loans & LOBOS	30.000	4.15
- Municipal Investment	0.144	2.10
Variable rate funding:		
- Temporary	151.012	4.62
Total debt	**460.442**	**3.80**

The borrowing strategy for the current year has been to borrow temporarily where possible as we are in a reducing interest environment before gradually extending maturities.

3.1 New Borrowing

To date in 2025/26 £17.6m of our PWLB Loans have matured, included £5m of Maturity only loans. A further £22.9m of PWLB Loans, including £20.0m of Maturity only loans, are due to mature before the end of the financial year.

Three additional PWLB loans, totalling £15.0m, have been taken since 1 June 2025 (previous Member update), bringing the number of new loans raised during the year to five, totalling £45.0m

Lender	Date Raised	Principal £m	Type	Interest Rate %	Duration
PWLB	07/04/2025	10.0	Fixed interest rate – Maturity	4.51	2.5 years
PWLB	07/04/2025	10.0	Fixed interest rate - EIP	4.51	5 years
PWLB	15/10/2025	10.0	Fixed interest rate – Maturity	4.57	2 years
PWLB	22/10/2025	5.0	Fixed interest rate – Maturity	4.45	2 years
PWLB	03/12/2025	10.0	Fixed interest rate – Maturity	4.47	2 years

Between the period 1 June 2025 and 31 December 2025, £146.0m of temporary loans have been raised, renewed or replaced in order to fund short-term cash flow requirements. Interest rates have ranged from 4.08% and 4.55%. Outstanding temporary borrowing at 31 December 2025 was £151.0m.

3.2 Rescheduling and Repayments

During 2025/26 no rescheduling of debt has taken place as market conditions have not been favourable, however the scope for opportunities is regularly monitored.

In June 2025 Dexia exercised their option under the conditions of the Lender Option Borrower Option (LOBO) Loan. The Council had the option to repay the loan (£5m principle) or accept the interest rate increase proposed by the lender from 3.99% to 6.56%. Following consultation with MUFG Treasury Services, the Councils external Treasury Management Advisory, the LOBO was repaid.

4.0 Treasury Management Investments

At the 31 December the Council's treasury position was as follows:

INVESTMENT PORTFOLIO	31.12.25 Actual £m	31.12.25 Actual %	Credit Rating	Weighted Credit Score
Treasury investments				
Banks	4.925	19.8	A+	0.99
DMADF (H.M. Treasury)	15.000	60.2	AAA	0.60
Money Market Funds	4.980	20.0	AAA	0.20
Total Treasury Investments	**24.905**	**100.0**		**1.79**

The Authority's objective when investing money for Treasury Management purposes is to strike an appropriate balance between risk and return. The strategy for the year is to gain maximum benefit at minimum risk whilst achieving as a minimum, the overnight deposit rate.

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Based on this the Treasury Management Prudential Indicator in relation to Credit Risk is a score of 6 or lower, which is equivalent to a weighted average credit rating of 'A' or higher across the investment portfolio. As at 31 December 2025 the weighted average credit rating for Investments held was 1.79 (which is within the indicator). Further information regarding Credit Ratings is detailed in Appendix Ai.

The Council's treasury management investments are mainly internally managed and are currently held as temporary investments for cash flow purposes.

For the period to 31st December 2025 some £8.256bn worth of investments have been placed with H.M. Treasury's Debt Management Account Deposit Facility (DMADF) and Lloyds Bank, at an average of £30.130m per day. Interest rates have ranged from an average of 3.69% to 4.44%.

The Council holds investments of £4.98m 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 average interest rate to 31 December 2025 was 4.17%.

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 December 2025, the greatest exposure with a single counterparty was £15.0m (60.2% 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.

4.1 Longer Term Treasury Management Investments

The Council currently holds no long-term Treasury Management Investments.

4.2 Overall Performance

Overall, the weighted average return on all internal treasury management investments for the year to date to 31 December 2025 was 4.11%.

5.0 Leasing

Each year the Council arranges operating and finance leases for assets such as vehicles, computers and equipment. This helps to spread the cost of the acquisition over a number of years.

To date, there have been 1 lease requests made for 2025/26 -

Draw Down Date	Purpose	Length / Type	Lessor	Value
October 2025	Gym equipment	5-year Finance Lease	Triple Point	£144,162

6.0 Projected Performance

The Chief Financial Officer and other Senior Finance Officers closely monitor the Treasury position, particularly with the uncertainty in timings of predicted continued interest rate cuts. Latest financial monitoring projections indicate a pressure of £0.24m from treasury management activities in year. Updates will be provided in future financial monitoring reports taken to Cabinet.

Credit Ratings – A Guide.

Long-term credit ratings and Sovereign Ratings

Fitch Rating' long-term credit ratings are set up along a scale from 'AAA' to 'D', first introduced in 1924 and later adopted and licensed by Standard & Poors (S&P). Moody's also uses a similar scale, but names the categories differently. Like S&P, Fitch also uses intermediate modifiers for each category between AA and CCC (i.e., AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB- etc.).

Investment grade

- **AAA** : the best quality, reliable and stable
- **AA** : good quality, a bit higher risk than AAA
- **A** : economic situation can affect finance
- **BBB** : medium class counterparties, which are satisfactory at the moment

Non-investment grade

- **BB** : more prone to changes in the economy
- **B** : financial situation varies noticeably
- **CCC** : currently vulnerable and dependent on favourable economic conditions to meet its commitments
- **CC** : highly vulnerable, very speculative bonds
- **C** : highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations
- **D** : has defaulted on obligations and Fitch believes that it will generally default on most or all obligations
- **NR** : not publicly rated

Short-term credit ratings

Fitch's short-term ratings indicate the potential level of default within a 12-month period.

- **F1+**: best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment
- **F1**: best quality grade, indicating strong capacity of obligor to meet its financial commitment
- **F2**: good quality grade with satisfactory capacity of obligor to meet its financial commitment
- **F3**: fair quality grade with adequate capacity of obligor to meet its financial commitment but near-term adverse conditions could impact the obligor's commitments
- **B**: of speculative nature and obligor has minimal capacity to meet its commitment and vulnerability to short term adverse changes in financial and economic conditions
- **C**: possibility of default is high, and the financial commitment of the obligor are dependent upon sustained, favourable business and economic conditions

- **D**: the obligor is in default as it has failed on its financial commitments.

Support Ratings (1 – 5)

The Purpose and Function of Support Ratings
Support Ratings are Fitch Ratings' assessment of a potential supporter's propensity to support a bank and of its ability to support it. Its propensity to support is a judgment made by Fitch Ratings. Its ability to support is set by the potential supporter's own Issuer Default Ratings, both in foreign currency and, where appropriate, in local currency. Support Ratings do not assess the intrinsic credit quality of a bank. Rather they communicate the agency's judgment on whether the bank would receive support should this become necessary. These ratings are exclusively the expression of Fitch Ratings' opinion even though the principles underlying them may have been discussed with the relevant supervisory authorities and/or owners.

Timeliness and Effectiveness Requirements
Fitch Ratings' Support Rating definitions are predicated on the assumption that any necessary "support" is provided on a timely basis. The definitions are also predicated on the assumption that any necessary support will be sufficiently sustained so that the bank being supported is able to continue meeting its financial commitments until the crisis is over.

Obligations and Financial Instruments Covered
In terms of these definitions, unless otherwise specified, "support" is deemed to be in terms of foreign currency. It is assumed that typically the following obligations will be supported: senior debt (secured and unsecured), including insured and uninsured deposits (retail, wholesale and interbank); obligations arising from derivatives transactions and from legally enforceable guarantees and indemnities, letters of credit, and acceptances; trade receivables and obligations arising from court judgments.

Likewise, the agency does not assume that the following capital instruments will be supported when sovereign support is involved: preference/preferred shares or stock; hybrid capital (tier 1 and upper tier 2), including reserve capital instruments (RCIs) and variations upon RCIs; and common/ordinary equity capital. It is also assumed that there will be no support for any moral obligation on securitizations. The sovereign support status of subordinated debt is difficult to categorize in advance; it is assessed on a case by case basis, distinguishing among different jurisdictions.

Definitions:

1: A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.

2: A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.

3: A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.

4: A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.

5: A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

GLOSSARY

Term	Meaning
Annuity	A method of repaying a loan where the cash payment remains constant over the life of the loan, but the proportion in interest reduces and the proportion of principal repayment increases over time.
Authorised Borrowing Limit	The maximum amount the authority can borrow at any point of time in the year. This limit should never be exceeded. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Bail-in	A method of rescuing a failing financial institution by cancelling some of its deposits and bonds. Investors may suffer a haircut but may be given shares in the bank as part compensation. See also bail-out
Bail-out	A method of rescuing a failing financial institution by the injection of public money. This protects investors at the expense of the taxpayer.
Call account	A deposit account that can be called back, normally on instant access.
Capital Financing Requirement CFR)	This represents the underlying need for the authority to borrow and represents the assets of the authority less the long term capital liabilities.
Credit Default Swaps (CDS)	CDS are bought by investors to insure against defaults (i.e. the counterparty not being able to repay). The higher the cost/premium then the higher the risk – CDS therefore given a market view of the credit worthiness of an organisation.
Credit Ratings	Rating on the ability of an organisation to meet its obligations; ratings are assigned by independent, specialist companies, such as Fitch and Moody's using market intelligence they gather.
Credit Risk	The risk that the debtor will default on their obligations
Counterparty	The organisation that you are conducting your business with.
Debt Management Account Deposit Facility	Provided by the Debt Management Office, users can place cash in secure fixed-term deposits. Deposits are guaranteed by the government and therefore have the equivalent of a sovereign triple-A credit rating.
Derivative Instruments	A security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Most derivatives are characterized by high leverage. For example, a stock option is a derivative because it derives its value from the value of a stock. An interest rate swap is a

	derivative because it derives its value from one or more interest rate indices.
Discounts	These relate to Public Works Loans Board loans. If rates have increased since the borrowing was undertaken then part of the benefit that PWLB will achieve from being able to loan out at that higher rate are passed back to an authority if they repay the loan early.
Fund Managers	Independent investment managers who work to a specific mandate and invest funds on behalf of the Council
IFRS	International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010.
Inflation	The rise in prices of goods and services over a period of time.
Interest Rate Risk	The risk that the value of an investment will change due to changes to the interest rate.
Internal Borrowing	This is where the amount of an authority's borrowing is less than its CFR or underlying need to borrow and represents the use of internal balances rather than borrowing from the market.
LIBID	London inter-bank bid rate. Interest rate at which prime banks will **borrow** money in the London inter-bank market.
LIBOR	London inter-bank offer rate. Interest rate at which prime banks will **lend** money in the London inter-bank market. Fixed every day by the British Bankers Association to five decimal places.
Liquidity Risk	The risk of not being able to trade an investment quickly to release cash.
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 borrower's interest rate risk and the loan should therefore attract a lower rate of interest initially.
Minimum Revenue Provision (MRP)	This is the amount charged against the Income and Expenditure Account for the year in relation to the repayment of debt on borrowing in order to fund capital expenditure.
Money Market Fund (MMF)	Mutual funds that invest in short term debt instruments. They offer a higher level of security than banks and interest rates are generally higher.
Obligor	An individual or company that owes debt to another individual or company (the creditor), as a result of borrowing or issuing bonds.

Operational Borrowing Limit	The amount the authority would normally borrow at any point of time in the year. This boundary might be exceeded temporarily but only in exceptional circumstances. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Premia	This is the penalty applied to the early redemption of PWLB loans where rates have fallen since the loan was undertaken.
Prudential Code	A professional code of practice which provides regulatory framework to local authorities on capital expenditure, investments and borrowing activities.
Prudential Indicators	A set of indicators developed within the Prudential Code which define thresholds for investment and borrowing within a local authority.
PWLB	Public Works Loans Board – a Government agency providing long and short term loans to local authorities. Interest rates are generally lower than the private sector and slightly higher than the rates at which the Government themselves may borrow.
Quantitative Easing	This is where the government buy back their own gilt issuance to effectively pump money into the financial markets of the economy.
Re-scheduling	This relates to repaying existing borrowing early and replacing it with borrowing for a different period usually, but not necessarily, at lower rates
Return	The gain from holding an investment over a given period
Security	An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government or other organisation which offers evidence of debt or equity.
SONIA	Sterling Overnight Interbank Average – a key Bank of England interest rate benchmark; it is a measurement of the cost of borrowing and reflects the average of interest that banks pay to borrow sterling overnight from other financial institutions.
Sovereign Exposure	Risk of exposure to one particular country.
Supranational Bonds	These are bonds (similar to gilts) issued by multi government development organisations and are supported by all of the governments who form part of the organisation. E.g. European Investment Bank and are usually very secure.
Treasury Management Code (TM Code)	CIPFA's Code of Practice for Treasury Management in the Public Services and Cross-Sectoral Guidance Notes, to which local authorities are required by law to have regard.

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Treasury Management Strategy 2026/27

(including Minimum Revenue Provision Statement 2026/27 & Treasury Management Policy Statement 2026/27)

Telford & Wrekin Council

A glossary and list of abbreviations used in this report can be found at page 55

Contents

Treasury Management Strategy 2026/27

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management strategy for 2026/27. 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 2026/27 the minimum reporting requirements are that the Full Council should receive the following reports:

- an annual treasury strategy in advance of the year (this report),
- 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 undertaken in January 2026 in order to support members' scrutiny role.

1.0 BACKGROUND & CONTEXT

1.1 Background

The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

> *"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Reporting Requirements

Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite. The Council's Capital Strategy is included as part of the suite of Medium-Term Financial Strategy (MTFS) reports which are approved by Full Council each year.

Treasury Management Reporting

The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. **Prudential and treasury indicators and treasury strategy** (this report) **-** The first, and most important report is forward looking and covers: **-**
    - the capital plans, (including prudential indicators)
    - a minimum revenue provision (MRP) policy, (how capital expenditure funded by borrowing is charged to revenue over time)
    - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
    - an Annual Investment Strategy, (the parameters on how investments are to be managed)

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny - the above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Audit Committee.

Other reports – The above reports will be supplemented by updates as part of the financial monitoring taken to Cabinet.

1.3 Treasury Management Strategy for 2026/27

The strategy for 2026/27 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Authority
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, Department of Levelling Up, Housing and Communities (DLUHC) (now Ministry of Housing, Committees and Local Government (MHCLG)) Investment Guidance, DLUHC (now MHCLG) MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

2.0 THE CAPITAL PRUDENTIAL INDICATORS 2026/27 – 2028/29

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

Capital expenditure (£m)	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
General Fund Services	43.238	62.857	44.310	65.544	31.158
Housing Investment Programme (NuPlace)	22.040	25.718	17.590	16.616	13.000
Property Investment Portfolio	0.570	15.831	24.636	12.436	7.000
Local Regeneration Fund	21.325	19.911	29.780	7.000	0.000
Total	**87.173**	**124.317**	**116.316**	**101.594**	**51.158**

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure (£m)	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital receipts	2.178	6.877	3.571	1.340	6.000
Capital grants	30.462	49.777	36.457	40.680	22.776
Revenue	0.258	0.841	0.250	0.000	0.000
External	10.020	3.548	1.426	0.000	0.000
Net financing need for the year	44.255	63.274	74.612	59.574	22.382
Total Financing	**87.173**	**124.317**	**116.316**	**101.594**	**51.158**

2.2 The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so it's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. The Authority currently has £39.1m of such schemes within the CFR (31.03.2025).

The Committee is asked to approve the CFR projections below:

Capital Financing Requirement (£m)	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital Financing Requirement					
General Fund Service	460.005	478.740	508.366	533.284	526.547
Housing Investment Programme (NuPlace Ltd)	89.557	115.275	132.866	149.482	162.482
Property Investment Portfolio	64.931	78.263	101.701	111.645	118.645
Solar Farm	3.800	3.800	3.800	3.800	3.800

Capital Financing Requirement (£m)	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Total CFR	**618.293**	**676.078**	**746.733**	**798.211**	**811.474**
Movement in CFR		57.785	70.655	51.478	13.263

Note, the breakdown between Housing Investment Programme, Property Portfolio and Solar Farm are based on the original prudential borrowing requirement and are for illustration purposes. Figures are reported as at 31 March for each financial year.

2.3 Liability Benchmark

The Authority is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum although CIPFA strongly recommends that the Liability Benchmark is produced for at least 10 years and should ideally cover the full debt maturity profile.

There are four components to the Liability Benchmark: -

- Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.
- Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
- Net loans requirement: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

The full Liability Benchmark is included at Appendix Bii.

2.4 Capital and Treasury Management Prudential Indicators

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Treasury Management and Prudential Indicators. These indicators are used to measure and manage the Authority's measures exposure to treasury management risks including –

- Capital Expenditure & Financing
- Capital Financing Requirement (CFR)
- Limits to Borrowing Activity
- Liability Benchmark
- Security
- Liquidity
- Interest Rate Exposure

- Maturity Structure of Fixed Rate Borrowing
- Principle sums invested for periods longer than a year

Capital and Treasury Management Prudential Indicators are detailed in Appendix Bii.

3.0 ANNUAL BORROWING STRATEGY

The capital expenditure plans set out in Section 2 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

3.1 Current Portfolio Position

The overall treasury management portfolio as at 31 March 2025 and estimated position as at 31 March 2026 are shown below for both borrowing and investments.

Treasury Portfolio	31.3.25 Actual	31.3.25 Actual	31.03.26 Estimate	31.03.26 Estimate
Treasury investments	**£m**	**%**	**£m**	**%**
Banks	3.482	15.8	2.500	16.7
Money Market Funds	4.980	22.6	4.980	33.2
H.M. Treasury's Debt Management Account Deposit Facility (DMADF)	13.600	61.6	7.520	50.1
Total treasury investments	**22.062**	**100.0**	**15.000**	**100.0**
Treasury external borrowing				
Local Authorities	151.012	32.8	147.468	30.0
PWLB	279.285	60.6	313.537	63.8
Market Loans	15.000	3.3	15.000	3.1
LOBOs	15.000	3.3	15.000	3.1
Municipal Loans	0.145	0.0	0.110	0.0
Total external borrowing	**460.442**	**100.0**	**491.115**	**100.0**
Net treasury investments / (borrowing)	**438.380**		**476.115**	

The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

External Financing & Investments (£m)	31.3.25 Actual	31.3.26 Estimate	31.3.27 Estimate	31.3.28 Estimate	31.3.29 Estimate
Total External Borrowing	434.903	491.115	565.727	625.301	647.683
Other Long-Term Liabilities	41.170	39.093	38.638	34.317	30.065
Total Gross External Debt	**476.043**	**530.208**	**604.365**	**659.618**	**677.748**
The Capital Finance Requirement	618.293	676.078	746.733	798.211	811.474
Under / (over) borrowing	**142.220**	**145.870**	**142.368**	**138.593**	**133.726**

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance, People & IDT reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary: This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

The Committee is asked to approve the following Operational Boundary:

Operational Boundary (£m)	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	645.0	760.0	820.0	840.0
Other long-term liabilities	50.0	45.0	35.0	35.0
Total	**695.0**	**805.0**	**855.0**	**875.0**

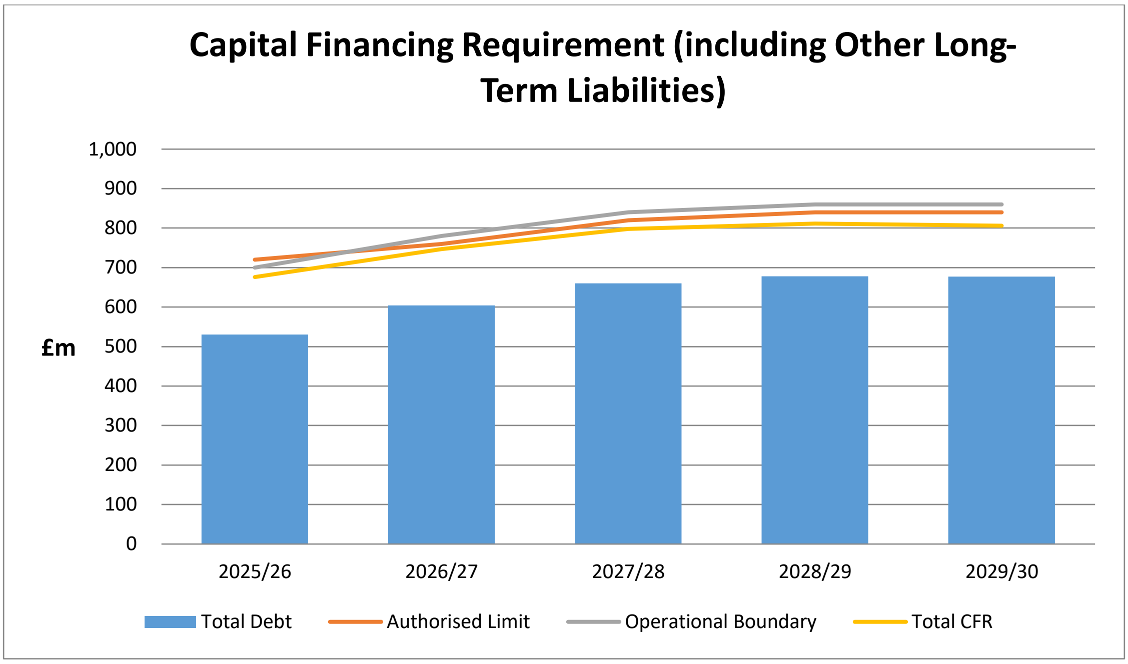
The Authorised Limit for external debt: This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.

The Committee is asked to approve the following Authorised Limit:

Authorised Limit (£m)	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	665.0	780.0	840.0	860.0
Other long-term liabilities	54.0	50.0	40.0	40.0
Total	**719.0**	**830.0**	**880.0**	**900.0**

The following chart displays total debt versus CFR, the Operational Boundary and the Authorisation Limit and demonstrates that projected total debt does not exceed the projected CFR or either projected limit in the short, medium or long-term.



3.3 Prospects for Interest Rates (provided by MUFG)

The Authority has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts on 22 December 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

MUFG Corporate Markets Interest Rate View 22.12.25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

Additional notes by MUFG Corporate Markets on this forecast table: -

- Our last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and

0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.

- Surprisingly, to most market commentators, the recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most "dissenters" from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor, Andrew Bailey, to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.
- Given the wafer-thin majority for a rate cut it was not unexpected to hear that although rates would continue on a "gradual downward path", suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be "a closer call", and Governor Bailey observed there is "limited space as Bank Rate approaches a neutral level".
- Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.
- Accordingly, our updated central forecast is made with several hefty caveats. We are confident, as we have been for some time, that our forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and we have marginally brought forward the timing of the next rate cut(s). But for the 10-, 25- and 50-years part of the curve, the level of gilt issuance, and the timing of its placement, will be integral to achieving a benign trading environment. That is not a "given", and additionally, the inflation outlook and political factors domestically and, crucially, in the US, are also likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November.
- Our revised PWLB rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there will be a further extension to this discounted rate announced in January.
- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

Gilt yields and PWLB rates: The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are generally to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB borrowing	***Current borrowing rates as at 22.12.25 p.m. %***	***Target borrowing rate now (end of Q4 2027) %***	***Target borrowing rate previous (end of Q4 2027) %***
5 years	*4.81*	*4.10*	*4.20*
10 years	*5.39*	*4.70*	*4.70*
25 years	*6.01*	*5.30*	*5.30*
50 years	*5.78*	*5.10*	*5.10*

Borrowing advice: Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity/<10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested **budgeted earnings rates for investments** up to about three months' duration in each financial year are set out below.

Average earnings in each year	***Now %***	***Previously %***
2025/26 (residual)	*3.80*	*3.90*
2026/27	*3.40*	*3.60*
2027/28	*3.30*	*3.30*
2028/29	*3.30*	*3.50*
2029/30	*3.50*	*3.50*
Years 6-10	*3.50*	*3.50*
Years 10+	*3.50*	*3.50*

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad-hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate

3.4 Borrowing Strategy

The Authority held £460.4m of loans as at 31 December 2025, an increase of £25.5m on the end of the previous financial year. It is anticipated that the total cumulative borrowing will increase to £491.1m by the end of 2025/26 in line with the approved Capital Programme. The Council is currently expected to need to borrow an additional £74.6m in 2026/27 based on the current capital programme plans and will adopt a flexible approach to borrowing.

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to continue falling from their current levels albeit at a slower rate than previously forecast in May 2025.

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Director of Finance, People & IDT will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With the forecast for interest rates expected to continue falling through the forecast horizon, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow through the use of short-term loans of up to 1 year. By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next year given to current downward trajectory in the interest rate forecast, over the medium-term we will make gradual moves into longer term borrowing as and when attractive opportunities arise. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years. External advisors will assist the Authority with this ‘cost of carry’ and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2025/26 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Historically, the Authority has raised the majority of its short-term borrowing from the Local-to-Local market i.e. Local Authorities lending to and borrowing from each other, and this is likely to remain a major source going forward. The Authority may also consider the option of borrowing short term from the PWLB.

Likewise, the Authority has raised the majority of its long-term borrowing from the PWLB and this is likely to be a major source of borrowing going forward. The Authority may also consider alternative options for borrowing any long-term loans, such as banks, pension funds and local authorities, and the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.

Sources of Borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury’s PWLB lending facility (formerly PWLB)
- any institution approved for investments
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- Registered Housing providers
- Capital market bond investors

- Community Municipal Investments (Bond or Loan) raised from the general public (including a climate change investment opportunity).

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to meet its obligations for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

New Financial Institutions as a source of borrowing and or types of borrowing: Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

LOBOs: The Authority holds £15.0m (3.2% of the debt portfolio at 31 December 2025) of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. None of the LOBOs have remaining options prior to the end of the financial year. Rates payable were competitive compared to PWLB rates at the time that the loans were taken out. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will not increase from the current £15.0m.

Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk.

Borrowing in advance of need: The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

4.0 ANNUAL INVESTMENT STRATEGY

4.1 Investment Policy – Management of Risk

Investments that are not part of Treasury Management Activity

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This may include investment activity which is outside the purpose of normal treasury management. Public sector organisations may have investments for various purposes –

- **Investments for treasury management purposes** – are those investments that arise from the organisations cash flows or treasury risk management activity and ultimately represent balances which need to be invested until the cash in required for use in the course of business.
- **Investments for service purposes** – are taken or held primarily for the provision and for the purpose of delivering public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.
- **Investments for commercial purposes** – are long term investments taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services. The Council does not hold any investments primarily for financial return.

This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Investments for both services purposes and commercial purposes are covered in greater detail in the Investment Strategy

Report and Capital Strategy Report which will be presented to Cabinet on 12 February 2026 and then Full Council on 26 February 2026.

The Authority's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Authority's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as **"credit default swaps"** and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This Authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Appendix Biv under the categories of 'specified' and 'non-specified' investments.

   Specified Treasury investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified Treasury investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Non-specified and loan investment limits.** The Authority has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of £5m.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in paragraph 4.2.
8. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.2).
9. This Authority will set a limit for its investments which are invested for **longer than 365 days**, (see Appendix Bii).
10. This Authority has engaged **external consultants**, (see paragraph 3.3), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2023/24 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. More recently, a further extension to the over-ride for existing pooled funds has been agreed by Government until 31.3.29.

However, this Authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

4.2 Creditworthiness Policy

This Authority applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard &

Poor’s. The credit ratings of counterparties are supplemented with the following overlays: -

- “watches” and “outlooks” from credit rating agencies,
- CDS spreads that may give early warning of changes in credit ratings,
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments. The Authority will, therefore, use counterparties within the following durational bands:

- Yellow 5 years
- Dark pink 5 years for Ultra-Short Dated Bonds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bonds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (applies to nationalised / semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency’s ratings.

Typically, the minimum credit ratings criteria the Authority uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored daily. The Authority is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Authority’s minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link.

Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Authority will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long-term rating where applicable)	Money Limit (with any one counterparty)	Time limit
Banks	Yellow	£15.0m	5yrs
Banks	Purple	£15.0m	2 yrs
Banks	Orange	£15.0m	1 yr
Banks – part nationalised	Blue	£15.0m	1 yr
Banks	Red	£15.0m	6 mths
Banks	Green	£15.0m	100 days
Banks	No Colour	Not to be used	
Limit 3 category – Authority's banker (where "No Colour")	XXX	£15.0m	1 day
Other institutions limit	-	£7.5m	5yrs
DMADF	UK sovereign rating	unlimited	6 months
Local authorities	n/a	£15.0m	1yrs
Housing associations	Colour bands	£15.0m	As per colour band
	Fund rating**	**Money Limit (with any one counterparty)**	**Time Limit**
Money Market Funds CNAV	AAA	£10.0m	liquid
Money Market Funds LVNAV	AAA	£10.0m	liquid
Money Market Funds VNAV	AAA	£10.0m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark Pink / AAA	£10.0m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light Pink / AAA	£10.0m	liquid

Creditworthiness: Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

CDS prices: Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

Limits: Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups and sectors.

a) **Non-specified treasury management investment limit:** The Authority has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being £5m.

b) **Country limit:** The Authority has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix Bv. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Other limits. In addition: -

- no more than £15m, with the exception of Money Market Funds where the Authority has no control of the sovereignty splits, will be placed with any non-UK country at any time,
- limits in place above will apply to a group of companies/institutions,
- sector limits will be monitored regularly for appropriateness.

4.3 Treasury Investment Strategy

The Council generally expects to maintain an investment balance of between £10.0m and £25.0m, at each month end, for the forthcoming year. There may be circumstances where the Council takes advantage favourable borrowing rates and investments may exceed £25m on a short-term basis from time to time due to differing maturity dates or certain periods of the year when markets are less liquid and it is appropriate to hold more cash investments; further, the receipt of grant funding, may result in investments being higher at points during the year.

Objectives: The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Strategy: For its cash flow generated balances, the Authority will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest. This diversification of investments will represent a continuation of the strategy adopted in 2025/26.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types listed below, subject to the cash limits (per counterparty) and the time limits shown in the creditworthiness policy (4.2).

- **The UK Government, local authorities and other government entities:** Loans to, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is a lower risk of insolvency, although they are not without risk. Investments with the UK Government may be made in unlimited amounts for up to 50 years.
- **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- **Banks & Building Societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish

Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

- **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
- **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
- **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk
- **Operational bank accounts:** The Authority may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £15.0m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25bn are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Approved Instruments: The Authority may lend or invest money using any of the following instruments:

- interest-bearing bank accounts
- fixed term deposits and loans
- callable deposits and loans where the borrower may repay before maturity, but subject to a maximum of £5million in total

- certificates of deposit
- bonds, notes, bills, commercial paper and other marketable instruments, and shares in money market funds and other pooled funds,

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as SONIA, subject to the limits on interest rate exposures below.

Liquidity management: The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis, to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

4.4 End of Year Investment Report

At the end of the financial year, the authority will report on its treasury management investment activity as part of its Annual Treasury Report.

4.5 Ethical Investments

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 mission and 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 suitably credit assessed.

The Council's lending activity will be subject to (in order of rank)

- the assessment of meeting the minimum lending criteria as specified in the current Treasury Management Strategy and the minimum credit ratings as outlined in the Strategy.
- meeting the Security, Liquidity & Yield (SLY) criteria as set out in the current Treasury Management Strategy, and
- investments are not contrary to the values outlined in the Ethical Investment Framework (Appendix Bvii)

4.6 Related Matters

Financial derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

In line with CIPFA Code, the Authority will seek external advice and will consider that the advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive (MIFID): The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

5.0 MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT 2026/27

5.1 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP). The 2003 Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute.

The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2024) provides four ready-made options for calculating MRP. An authority can use a mix of these options if it considers it appropriate to do so.

The Government considers that the methods of making prudent provision include the options set out in the statutory guidance. However, this does not rule out or otherwise preclude an authority from using an alternative method should it decide that is more appropriate. Any method used is subject to the conditions in paragraphs 61 to 65 of the guidance as far as these are relevant.

The four options set-out in the guidance include -

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

- 4% reducing balance (regulatory method) - MRP will follow the historical practice outlined in former regulations as 4% of the opening GF CFR balance less adjustment A (Option 1); or
- 4% reducing balance (CFR method) (Option 2) – MRP will be calculated as 4% of the opening GF CFR balance; or

From 1 April 2008 for all unsupported borrowing the MRP policy will be (amend as appropriate):

- Asset life method (straight line) (Option 3)
- Asset life method (annuity) (Option 4)

The Authority is recommended to approve the following MRP Statement:

5.1.2 MRP Statement 2026/27

The Council will calculate MRP by the following methods –

Historic MRP (re pre 2007/08 borrowing). This will be calculated by dividing the balance at 31/3/07 (calculated in accordance with regulations) by 50 for an annual charge that charges over a finite period rather than a 4% reducing balance. This methodology is broadly in line with Option 3.

MRP in respect of prudential borrowing (subject to the 5.1.2 and 5.1.3 below), government supported allocations since 2007/08 and PFI will be charged over the life of the asset on an annuity basis - Option 3 in the regulations.

Regulation 27(3) allows a local authority to charge MRP in the financial year following the one in which capital expenditure finance by debt was incurred. Therefore, capital expenditure financed by borrowing in 2025/26 will not be subject to an MRP charge until 2026/27, or in the financial year following the one which the asset first becomes available for use.

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

5.1.2 Capital loans

Regulation 27(4) allows a local authority to exclude capital loans that are financed by debt from the requirement to make MRP, provided the loan is not a commercial loan.

The Authority has issued capital loans that are categorised non-commercial loans and has chosen to not apply MRP in accordance with the statutory guidance.

5.1.3 Share Capital

Where an Authority incurs expenditure that is capitalised on or after April 2008, which is financed by borrowing for the acquisition of share capital, Regulation 25(1)(d) Acquisition of share capital sets out the maximum period for an authority to provide MRP of 20 years.

The Authority has incurred expenditure that has been capitalised which is finance from borrowing for the acquisition of share capital. This expenditure relates solely to share capital in NuPlace Ltd, the Council's wholly owned subsidiary. MRP relating to such expenditure has been calculated in accordance with the statutory guidance, in line with Option 3 however the asset life has been included as 20 years.

5.1.4 MRP Overpayments

Under the MRP guidance, charges made in excess of the statutory MRP can be made and are known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

The Council has not made any VRPs to date.

6.0 TREASURY MANAGEMENT POLICY STATEMENT 2026/27

6.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Treasury Management Code (TM Code)), as described in Section 5 of the TM Code.

Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- Investment Management Practices (IMPs) for investments that are not for treasury management purposes.

The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Audit Committee and for the execution and administration of treasury management decisions to Director: Finance, People & IDT, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

6.2 Policies and objectives of Treasury Management Activities

The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt. The Council will look to minimise borrowing through the use of maturing investments to fund capital expenditure rather than reinvestment.

The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations. Generally as investments mature they will not be reinvested but be used to minimise borrowing.

7.0 OTHER ITEMS

7.1 Financial Implications

The budget for investment income in 2026/27 is £0.519m, based on an average investment portfolio of £15.0m at an interest rate of 3.46%. The budget for debt interest paid in 2026/27 is £15.167m, net of Nuplace interest received on capital loans, based on an average debt portfolio of £496.803m at an average interest rate of 4.02%. If actual levels of investments and borrowing, or actual interest rates, differ from that forecast, performance against budget will be correspondingly different. Such differences will be reported through regular financial monitoring to Cabinet.

7.2 Balanced Budget Requirement:

The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

7.3 Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

The Director: Finance, People & IDT will report to the Audit Committee on treasury management activity / performance and Performance Indicators as follows -

- Half yearly against the strategy approved for the year. The authority will produce an outturn report on its treasury activity no later than 31st July after the financial year end and an update report alongside the Treasury Strategy in the last quarter of the financial year.

Audit Committee will be responsible of the scrutiny of treasury management activity and practices.

A detailed list of the Treasury Management Section of Delegation and the Treasury Management Role of the Section 151 Officer are included at Appendix Biv.

7.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

The scale and nature of knowledge and training requirements will depend on the size and complexity of the organisation's treasury management needs.

Based on our treasury management portfolio the approach we will adopt is:

- Record attendance at training and circulate training materials to those unable to attend; also ensure action is taken where poor attendance is identified.
- Discuss and agree learning plans as part of APPD / 1-to-1 for treasury management officers; consider training plan requirements for members.
- Consider self-assessment requirements for both treasury management officers and relevant members.
- Periodically ask treasury management officers and relevant members to highlight any training needs.

Training has been undertaken by members in January 2025 and January 2026 and further training will be arranged as required.

A formal record of the training received by officers central to the Treasury function will be recorded as part of the APPD process. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Treasury Function.

7.5 Treasury Management Consultants

The Authority uses MUFG Corporate Markets as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

Existing Treasury Portfolio Projected Forward to 2028/29

Treasury Portfolio (£m)	Current Portfolio	%	31.3.26 Estimate	31.3.27 Estimate	31.3.28 Estimate	31.3.29 Estimate
Treasury Investments:						
Banks	4.925	19.8	2.500	2.500	2.500	2.500
Money Markets	4.980	20.0	4.980	4.980	4.980	4.980
DMADF	15.000	60.2	7.520	7.520	7.520	7.520
Total Treasury Investments	**24.905**	**100.0**	**15.000**	**15.000**	**15.000**	**15.000**
Treasury external borrowing						
Local Authorities & other temporary loans	151.012	32.8	147.468	100.029	100.029	100.029
PWLB	279.285	60.7	313.537	435.661	495.272	517.654
Market Loans	15.000	3.2	15.000	15.000	15.000	15.000
LOBO	15.000	3.2	15.000	15.000	15.000	15.000
Municipal Loans	0.145	0.1	0.110	0.037	0.000	0.000
Total Treasury external borrowing	**460.442**	**100.0**	**491.115**	**565.727**	**625.301**	**647.683**
Net Treasury investments / (borrowing)	**(435.537)**		**(476.118)**	**(550.727)**	**(610.301)**	**(632.683)**
Long Term Liabilities						
PFI	(38.428)		(38.428)	(38.138)	(34.317)	(29.905)
Finance Leases	(0.665)		(0.665)	(0.500)	(0.351)	(0.160)
Total Long-Term Liabilities	**(39.093)**		**(39.093)**	**(38.638)**	**(34.668)**	**(30.065)**
Net investments / (borrowing)	**(474.630)**		**(515.211)**	**(589.365)**	**(644.969)**	**(662.748)**

Capital and Treasury Management Prudential Indicators 2025/26 – 2028/29

1.0 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

The Authority measures and manages its exposure to treasury management risks using the following indicators.

Committee is asked to approve the following Capital and Treasury Management Prudential Indicators for 2025/26.

2.0 Capital Expenditure and Financing:

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

Capital expenditure (£m)	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Total	87.173	124.317	116.316	101.594	51.158

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure (£m)	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital receipts	2.178	6.877	3.571	1.340	6.000
Capital grants	30.462	49.777	36.457	40.680	22.776
Revenue	0.258	0.841	0.250	0.000	0.000
External	10.020	3.548	1.426	0.000	0.000
Net financing need for the year	44.255	63.274	74.612	59.574	22.382
Total Financing	**87.173**	**124.317**	**116.316**	**101.594**	**51.158**

3.0 The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). See Table 2 – Capital Financing Requirement (CFR) in Section 1.7 above.

The Authority is asked to approve the CFR projections below:

Capital Financing Requirement (£m)	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Total CFR	618.293	676.078	746.733	798.211	811.474
Movement in CFR		57.785	70.655	51.478	13.263

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. The CFR Table above shows that the Authority expects to fully comply with this recommendation.

4.0 Limits to Borrowing Activity:

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational Boundary (£m)	2025/26 Actual	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	645.0	760.0	820.0	840.0
Other long-term liabilities	50.0	45.0	35.0	35.0
Total	**695.0**	**805.0**	**855.0**	**875.0**

The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority is asked to approve the following Authorised Limit:

Authorised Limit (£m)	2025/26 Actual	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	665.0	780.0	840.0	860.0
Other long-term liabilities	54.0	50.0	40.0	40.0
Total	**719.0**	**830.0**	**880.0**	**900.0**

5.0 Liability benchmark:

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as the Capital Financing Requirement (CFR), but that cash and investment balances are kept to a minimum level of £15m at each year-end to maintain sufficient liquidity but minimise credit risk.

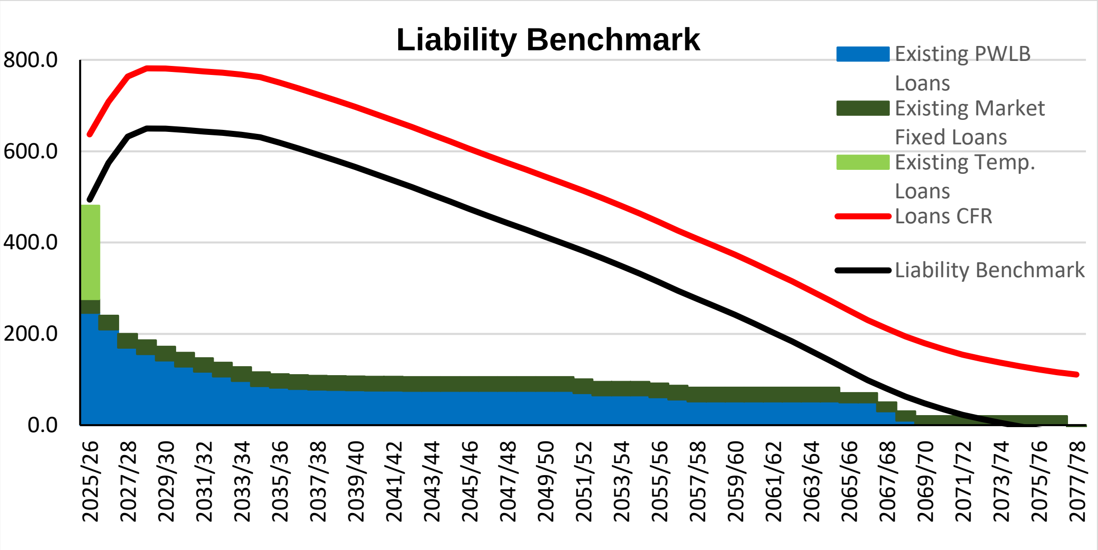
Liability Benchmark (£m)	31.3.25 Actual	31.3.26 Estimate	31.3.27 Forecast	31.3.28 Forecast	31.3.29 Forecast
CFR	618.293	676.078	746.733	798.211	811.474
Less: PFI & Leases	41.170	39.093	38.638	34.668	30.065
Loans CFR	**577.123**	**636.985**	**708.095**	**763.543**	**781.409**
Less: Balance Sheet Resources	150.901	157.724	148.690	146.983	146.736
Net Loans Requirement	**426.222**	**479.261**	**559.405**	**616.560**	**634.673**
Plus: Liquidity Allowance	22.062	15.000	15.000	15.000	15.000
Liability Benchmark	**448.284**	**494.261**	**574.405**	**631.560**	**649.673**

Following on from the medium-term forecasts in the table above, the long-term liability benchmark has been calculated (see chart below) and assumes capital expenditure funded by borrowing in line with the capital programme, minimum revenue provision on new capital expenditure based on appropriate asset lives and balance sheet resources reducing in line with anticipated use of reserves.

The liability benchmark is a projection of the amount of loan debt outstanding which the authority needs each year into the future, in order to fund its existing debt liabilities, planned prudential borrowing and other cash flows.

The headroom for the future borrowing requirement is shown by the gap between the authority's existing loans which are still outstanding at a given future date, and the authority's future need for borrowing (as shown by the liability benchmark).

It therefore shows how closely the existing loans book fits the future needs of the authority based only on its current plans. Any shortfall will need to be met by future borrowing; any excess will have to be invested (unless existing borrowing is prematurely repaid). Refinancing risk, interest rate risk and credit risk can be minimized or reduced by ensuring that the existing loans portfolio shows a profile close to the liability benchmark.



For Telford & Wrekin Council, the benchmark shows that our current level of external borrowing is below the amount needed to fund commitments and therefore future borrowing will be required.

In particular, the liability benchmark identifies the maturities needed for new borrowing, in order to match future liabilities. It therefore avoids borrowing for too long or too short. Local authorities have sometimes used the CFR as their benchmark of borrowing needs, but this is likely to result in substantial over-borrowing because authorities generally have systemic in-hand cash flows and balances which keep actual debt (net of treasury investments) well below the CFR. Borrowing needs are based on cash flows, not the CFR – accepting the need for a reasonable but not excessive holding of short-term investments for liquidity management.

The liability benchmark makes no assumption about the level of future prudential borrowing in as yet unknown capital budgets. This avoids making large assumptions which may prove to be spectacularly wrong; but the main reason is that it enables the benchmark to be compared like-for-like with the existing loans portfolio to identify the future borrowing and investment needs arising from the authority's existing plans. It shows us what the current debt maturity profile should be to match the authority's current borrowing commitments less MRP and other forecast cash flows. Matching the portfolio to the need minimises treasury risks.

6.0 Maturity Structure of Fixed Rate borrowing:

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

It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment. For loans with Lender Options / Borrower Options (LOBOs) this is assumed as the final maturity date.

Maturity structure of fixed rate borrowing	Lower Limit for 2026/27 %	Upper Limit for 2026/27 %	Existing level 31.12.25 %
under 12 months	0	70	18.5
12 months and within 24 months	0	30	27.2
24 months and within 5 years	0	50	16.9
5 years and within 10 years	0	75	12.1
10 years and above	0	100	25.3

7.0 Security of Investments:

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

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

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

Credit Risk Indicator	Target	Current (31.12.25)
Portfolio average credit score	6 or lower, (which is equivalent to a credit rating of 'A' or higher)	1.79

8.0 Principal sums invested for periods longer than a year:

The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Limit on principal sums invested for periods longer than a year	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %
Limit on total investments	95	95	95

Interest Rate Forecasts and Economic Background

Interest rate forecasts 2024 - 2027

MUFG Corporate Markets Interest Rate View 22.12.25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

Please note, PWLB forecasts are based on PWLB certainty rates.

ECONOMIC BACKGROUND (to 23 December 2025)

The first half of 2025/26 saw:

- A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September.
- The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.6% in September.
- CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.5%.
- The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.
- The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q (subsequently revised down to 0.2% q/q). Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern. GDP growth for 2025 – 2028 is currently forecast by the Office for Budget Responsibility to be in the region of 1.5%.
- Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK increased to 52.2 in October. The manufacturing PMI output balance improved to just below 50 but it is the services sector (52.2) that continues to drive the economy forward. Nonetheless, the PMIs suggest tepid growth is the best that can be expected in the second half of 2025 and the start of 2026. Indeed, on 13 November we heard that GDP for July to September was 0.1% q/q.

- Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. On a monthly basis, retail sales volumes rose 0.5%, defying forecasts of a 0.2% fall, following an upwardly revised 0.6% gain in August. Household spending remains surprisingly resilient, but the headwinds are gathering.
- Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.
- Following the 26 November Budget, the Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.
- Moreover, the Chancellor also chose to raise spending by a net £11.3bn in 2029/30. To pay for that and the increase in her headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in NICs on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.
- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nine of the ten months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October 2024 Budget. The number of job vacancies in the three months to November 2025 stood at 729,000 (the peak was 1.3 million in spring 2022). All this suggests the labour market continues to loosen, albeit at a slow pace.
- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.6% in September. (still at that level in November). The rate for the private sector has slipped just below 4% as the year end approaches.
- CPI inflation remained at 3.8% in September but dropped to 3.2% by November. Core inflation also fell to 3.2% by November while services inflation

fell to 4.4%. Nonetheless, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.

- An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended June at 4.50%.

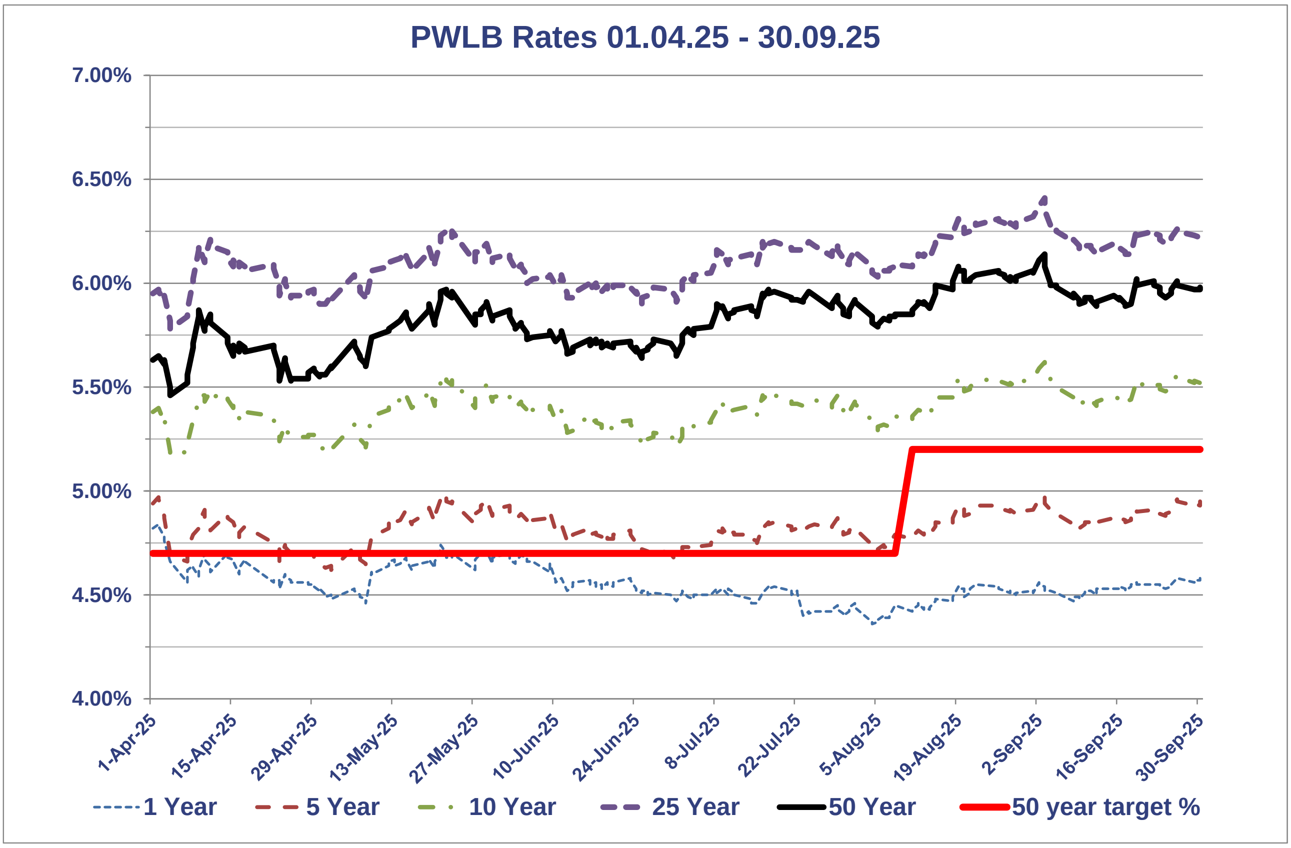
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England kept yields elevated over 4.70% although by late December had fallen back again to a little over 4.50%.

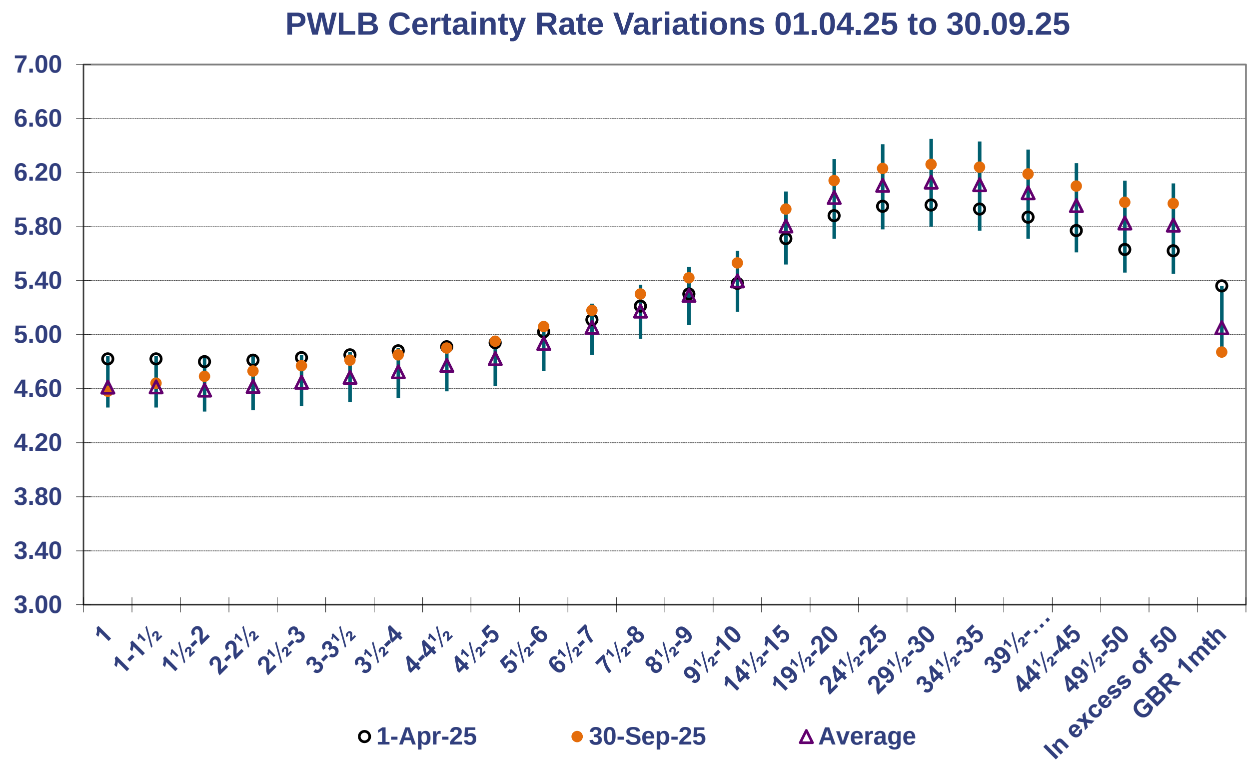
- The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed September at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors' global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings. In early November, the FTSE100 climbed to a record high just above 9,900. By late December, the index had clung on to most of those gains standing at 9,870 on 23 December.

MPC meetings (8 May, 19 June, 7 August, 18 September, 6 November and 18 December 2025)

- There were six Monetary Policy Committee (MPC) meetings held between April and December. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) 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 rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC was wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- With wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction). Moreover, the Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggested the Bank still thought interest rates will fall further.
- At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4% but hinting strongly that a further rate cut was imminent if data supported such a move. By 18 December, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% q/q to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the MPC voted by 5-4 to cut rates further to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

PWLB RATES 01.04.25 - 30.09.25





HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.25 – 30.09.25

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2025	4.82%	4.94%	5.38%	5.95%	5.63%
30/09/2025	4.58%	4.95%	5.53%	6.23%	5.98%
Low	4.36%	4.62%	5.17%	5.78%	5.46%
Low date	04/08/2025	02/05/2025	02/05/2025	04/04/2025	04/04/2025
High	4.84%	4.99%	5.62%	6.41%	6.14%
High date	02/04/2025	21/05/2025	03/09/2025	03/09/2025	03/09/2025
Average	4.55%	4.82%	5.40%	6.11%	5.83%
Spread	0.48%	0.37%	0.45%	0.63%	0.68%

Credit and Counterparty Risk Management

Specified Investments: All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum ‘high’ quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

Non-specified Investments: These are any investments which do not meet the specified investment criteria. A maximum of £5m will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made, it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria / colour band	**** Max % of total investments / £ limit per institution**	**Max. maturity period**
DMADF – UK Government	Yellow	100%	6 months (max. is set by the DMO*)
UK Gilts	Yellow		5 years
UK Treasury Bills	Yellow		364 days (max. is set by the DMO*)
Bonds issued by multilateral development banks	Yellow		5 years
Money Market Funds CNAV	AAA	100%	Liquid
Money Market Funds LNVAV	AAA		Liquid
Money Market Funds VNAV	AAA		Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	100%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	100%	Liquid
Local Authorities	Yellow	100%	5 years
Term Deposits with Housing Associations	Blue Orange Red Green No Colour		12 months 12 months 6 months 100 days Not for use

	Minimum credit criteria / colour band	** Max % of total investments / £ limit per institution	Max. maturity period
Term Deposits with Banks and Building Societies	Blue Orange Red Green No Colour		12 months 12 months 6 months 100 days Not for use
CDs or Corporate Bonds with Banks and Building Societies	Blue Orange Red Green No Colour		12 months 12 months 6 months 100 days Not for use
Gilt Funds	UK sovereign rating		

Approved Countries for Investments

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the MUFG Corporate Markets creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- U.S.A.

AA

- Abu Dhabi (UAE)
- Finland

AA-

- Qatar
- **U.K.**

Treasury Management Scheme of Delegation

(i) Full Council

- approval of annual strategy and mid-year update and annual report, and
- approval of/amendments to the organisations adopted clauses, treasury management policy, treasury management practices, treasury management indicators and prudential indicators

(ii) Full Council / Cabinet

- budget consideration and approval, and
- receiving and reviewing regular monitoring reports and acting on recommendations,

(iii) Audit Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body, Full Council.

The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer

The Council's S151/Chief Financial Officer has delegated authority for all Treasury Management activities and decisions, including borrowing and investments, as long as they are within the overall approved Treasury Management Strategy.

- Recommending the Treasury Management Strategy, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance,
- submitting regular treasury management policy reports,
- submitting budgets and budget variations,
- receiving and reviewing management information reports,
- reviewing the performance of the treasury management function,
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function,
- ensuring the adequacy of internal audit, and liaising with external audit, and
- recommending the appointment of external service providers.

Ethical Investment Framework – Telford and Wrekin Council

At the current time the Council's treasury activity consists principally of making short-dated loans to the UK Government (through the Debt Management Agency Deposit Facility) and to banks and building societies which adheres to the S-L-Y principles of (Security, Liquidity and Yield, in that order).

The preservation of capital is the Council's principal and overriding priority. The banks and building societies on the Council's lending list are selected only if the institutions and the sovereign meet a minimum credit criteria. In accordance with its social and corporate governance responsibilities, the Council seeks to support institutions which additionally have an ethical and responsible approach to environmental and social issues including employment and global trade. These "ethical" criteria and their basis are described below.

1. Environmental and Social Standards

Equator Principles

The Equator Principles (EPs) are a voluntary set of guidelines based on the environmental and social standards practiced by the International Finance Committee when evaluating financing projects. Financial institutions that adopt the Principles agree to use a screening process aiming to ensure that environmental and social assessments help inform decisions to finance development projects. This allows signatories to engage proactively with their stakeholders on environmental and social policy issues.

The EPs are a screening framework for determining, assessing and managing environmental and social risk in project finance transactions for major infrastructure and industrial projects. The EPs are adopted voluntarily by financial institutions and are applied where total project capital costs exceed US$10 million. The EPs are primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making. They are based on the International Finance Corporation's performance standards on social and environmental sustainability and on the World Bank Group Environmental Health and Safety Guidelines.

Financial institutions which are signatories to the EPs commit to not providing loans to projects where the borrower will not or is unable to comply with their respective social and environmental policies and procedures that implement the EPs.

The following banks relating to institutions on the Council's lending list have adopted the Equator Principles:

- Lloyds Banking Group (parent of Bank of Scotland plc and Lloyds Bank plc)
- Banco Santander (parent of Santander UK plc)
- Barclays plc (parent of Barclays Bank)
- HSBC Holding plc (parent of HSBC plc)
- Nat West Group plc
- Standard Chartered plc
- Australia and New Zealand Banking Group

- Commonwealth Bank Australia
- Westpac Banking Corp.
- Bank of Montreal
- Bank of Nova Scotia
- Canadian Imperial Bank of Commerce
- Royal Bank of Canada
- Nordea Bank Finland
- Deutche Bank AG
- ING Bank NV

http://www.equator-principles.com/index.php/members-reporting

2. Human Rights, Labour and Environment

The **UN Global Compact** is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Corporations which sign up to the UN Global Compact are encouraged to themselves embrace and in turn, support and enact, within their sphere of influence, a set of core values which are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;

- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The following banks relating to institutions on the Council's lending list are participants/stakeholders of the UN Global Compact:

- Lloyds Banking Group
- Svenska Handelsbanken AB
- Santander UK plc
- HSBC
- Standard Chartered Bank
- Nationwide Building Society
- NatWest Group plc
- Commenwealth Bank of Australia
- National Australia Bank
- Westpac Banking Corp.
- Nordea Bank AB
- Rabobank Group

http://www.unglobalcompact.org/ParticipantsAndStakeholders/index.html

Limitations to ethical policies:

It should be noted here that the individual institutions which have signed up to the Equator Principles and to the Global Compact screen borrowers before lending for infrastructure and industrial projects.

However, financial institutions also engage daily in money market and interbank lending transactions; the criteria for such lending is based primarily on credit risk assessment (i.e. the assessment of their lending being repaid in full and on time when it is due). Being a signatory to the EPs will not necessarily be a critical feature of such credit assessment and the Council is not in a position to monitor interbank lending. The same applies to an individual financial signing up to the UN Global Compact.

It should also be noted that becoming a signatory of voluntary guidelines (Equator Principle or Global Compact) does not guarantee that that institution's policies and practices are of a better standard than those institutions which are not signatories to the voluntary guidelines.

Activist investment: The Council does not invest directly in shares traded on the markets or in corporate bonds. Not only are such investments inherently higher risk investments and requires a distinct and separate set of fund management expertise. Under current legislation (SI 2003 No 3146) the purchase of share capital or loan capital of a body corporate is a capital expenditure investment which, on sale or maturity, becomes a capital receipt and is unsuitable for the Council’s treasury investments which are primarily the cash management of its operating surpluses and reserves. Corporate bond and equity investments would however be made by the Council’s pension fund (run by Shropshire Council).

Other than through its pension fund (which is measured by Shropshire Council), the Council cannot seek to influence decision making at a company by voicing concerns, engaging in a dialogue with management, or lobbying other shareholders for support. Activist investors attempt to purchase sufficient shares or obtain seats on the board with the goal of effecting major change in the company to make the company more valuable financially or socially (for example to change management policies and adopt better governance; optimise shareholder value through acquisitions/divestitures, be more socially responsible etc).

Credit Ratings – A Guide.

Long-term credit ratings and Sovereign Ratings

Fitch Rating' long-term credit ratings are set up along a scale from 'AAA' to 'D', first introduced in 1924 and later adopted and licensed by Standard & Poors (S&P). Moody's also uses a similar scale but names the categories differently. Like S&P, Fitch also uses intermediate modifiers for each category between AA and CCC (i.e., AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB- etc.).

Investment grade

- **AAA**: the best quality, reliable and stable
- **AA**: good quality, a bit higher risk than AAA
- **A**: economic situation can affect finance
- **BBB**: medium class counterparties, which are satisfactory at the moment

Non-investment grade

- **BB**: more prone to changes in the economy
- **B**: financial situation varies noticeably
- **CCC**: currently vulnerable and dependent on favourable economic conditions to meet its commitments
- **CC**: highly vulnerable, very speculative bonds
- **C**: highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations
- **D**: has defaulted on obligations and Fitch believes that it will generally default on most or all obligations
- **NR**: not publicly rated

Short-term credit ratings

Fitch's short-term ratings indicate the potential level of default within a 12-month period.

- **F1+**: best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment
- **F1**: best quality grade, indicating strong capacity of obligor to meet its financial commitment
- **F2**: good quality grade with satisfactory capacity of obligor to meet its financial commitment
- **F3:** fair quality grade with adequate capacity of obligor to meet its financial commitment but near-term adverse conditions could impact the obligor's commitments
- **B**: of speculative nature and obligor has minimal capacity to meet its commitment and vulnerability to short term adverse changes in financial and economic conditions
- **C**: possibility of default is high, and the financial commitment of the obligor are dependent upon sustained, favourable business and economic conditions
- **D**: the obligor is in default as it has failed on its financial commitments.

Support Ratings (1 – 5)

The Purpose and Function of Support Ratings

Support Ratings are Fitch Ratings' assessment of a potential supporter's propensity to support a bank and of its ability to support it. Its propensity to support is a judgment made by Fitch Ratings. Its ability to support is set by the potential supporter's own Issuer Default Ratings, both in foreign currency and, where appropriate, in local currency. Support Ratings do not assess the intrinsic credit quality of a bank. Rather they communicate the agency's judgment on whether the bank would receive support should this become necessary. These ratings are exclusively the expression of Fitch Ratings' opinion even though the principles underlying them may have been discussed with the relevant supervisory authorities and/or owners.

Timeliness and Effectiveness Requirements

Fitch Ratings' Support Rating definitions are predicated on the assumption that any necessary "support" is provided on a timely basis. The definitions are also predicated on the assumption that any necessary support will be sufficiently sustained so that the bank being supported is able to continue meeting its financial commitments until the crisis is over.

Obligations and Financial Instruments Covered

In terms of these definitions, unless otherwise specified, "support" is deemed to be in terms of foreign currency. It is assumed that typically the following obligations will be supported: senior debt (secured and unsecured), including insured and uninsured deposits (retail, wholesale and interbank); obligations arising from derivatives transactions and from legally enforceable guarantees and indemnities, letters of credit, and acceptances; trade receivables and obligations arising from court judgments.

Likewise, the agency does not assume that the following capital instruments will be supported when sovereign support is involved: preference/preferred shares or stock; hybrid capital (tier 1 and upper tier 2), including reserve capital instruments (RCIs) and variations upon RCIs; and common/ordinary equity capital. It is also assumed that there will be no support for any moral obligation on securitizations. The sovereign support status of subordinated debt is difficult to categorize in advance; it is assessed on a case-by-case basis, distinguishing among different jurisdictions.

Definitions:

1: A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.

2: A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.

3: A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.

4: A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.

5: A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

GLOSSARY

Term	Meaning
Annuity	A method of repaying a loan where the cash payment remains constant over the life of the loan, but the proportion in interest reduces and the proportion of principal repayment increases over time.
Authorised Borrowing Limit	The maximum amount the authority can borrow at any point of time in the year. This limit should never be exceeded. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Bail-in	A method of rescuing a failing financial institution by cancelling some of its deposits and bonds. Investors may suffer a haircut but may be given shares in the bank as part compensation. See also bail-out
Bail-out	A method of rescuing a failing financial institution by the injection of public money. This protects investors at the expense of the taxpayer.
Call account	A deposit account that can be called back, normally on instant access.
Capital Financing Requirement CFR)	This represents the underlying need for the authority to borrow and represents the assets of the authority less the long-term capital liabilities.
Credit Default Swaps (CDS)	CDS are bought by investors to insure against defaults (i.e. the counterparty not being able to repay). The higher the cost/premium then the higher the risk – CDS therefore given a market view of the credit worthiness of an organisation.
Credit Ratings	Rating on the ability of an organisation to meet its obligations; ratings are assigned by independent, specialist companies, such as Fitch and Moody's using market intelligence they gather.
Credit Risk	The risk that the debtor will default on their obligations
Counterparty	The organisation that you are conducting your business with.
Debt Management Account Deposit Facility (H.M. Treasury)	Provided by the Debt Management Office, users can place cash in secure fixed-term deposits. Deposits are guaranteed by the government and therefore have the equivalent of a sovereign triple-A credit rating.
Derivative Instruments	A security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Most derivatives are characterized by high leverage. For example, a stock option is a derivative because it derives its value from

Term	Meaning
	the value of a stock. An interest rate swap is a derivative because it derives its value from one or more interest rate indices.
Discounts	These relate to Public Works Loans Board loans. If rates have increased since the borrowing was undertaken, then part of the benefit that PWLB will achieve from being able to loan out at that higher rate are passed back to an authority if they repay the loan early.
Fund Managers	Independent investment managers who work to a specific mandate and if appointed invest funds on behalf of the Council
IFRS	International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010.
Inflation	The rise in prices of goods and services over a period of time.
Interest Rate Risk	The risk that the value of an investment will change due to changes to the interest rate.
Internal Borrowing	This is where the amount of an authority's borrowing is less than its CFR or underlying need to borrow and represents the use of internal balances rather than borrowing from the market.
Liquidity Risk	The risk of not being able to trade an investment quickly to release cash.
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 borrower's interest rate risk and the loan should therefore attract a lower rate of interest initially.
Minimum Revenue Provision (MRP)	This is the amount charged against the Income and Expenditure Account for the year in relation to the repayment of debt on borrowing in order to fund capital expenditure.
Money Market Fund (MMF)	Mutual funds that invest in short term debt instruments. They offer a higher level of security than banks and interest rates are generally higher.
Obligor	An individual or company that owes debt to another individual or company (the creditor), as a result of borrowing or issuing bonds.
Operational Borrowing Limit	The amount the authority would normally borrow at any point of time in the year. This boundary might be exceeded temporarily but only in exceptional circumstances. The limit is set by Full Council at the beginning of March and is a prudential indicator.

Term	Meaning
Premia	This is the penalty applied to the early redemption of PWLB loans where rates have fallen since the loan was undertaken.
Prudential Code	A professional code of practice which provides regulatory framework to local authorities on capital expenditure, investments and borrowing activities.
Prudential Indicators	A set of indicators developed within the Prudential Code which define thresholds for investment and borrowing within a local authority.
PWLB	Public Works Loans Board – a government agency providing long- and short-term loans to local authorities. Interest rates are generally lower than the private sector and slightly higher than the rates at which the Government themselves may borrow.
Quantitative Easing	This is where the government buy back their own gilt issuance to effectively pump money into the financial markets of the economy.
Re-scheduling	This relates to repaying existing borrowing early and replacing it with borrowing for a different period usually, but not necessarily, at lower rates
Return	The gain from holding an investment over a given period
Security	An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government or other organisation which offers evidence of debt or equity.
SONIA	Sterling Overnight Interbank Average – a key Bank of England interest rate benchmark; it is a measurement of the cost of borrowing and reflects the average of interest that banks pay to borrow sterling overnight from other financial institutions.
Sovereign Exposure	Risk of exposure to one particular country.
Supranational Bonds	These are bonds (similar to gilts) issued by multi government development organisations and are supported by all of the governments who form part of the organisation. E.g. European Investment Bank and are usually very secure.
Treasury Management Code (TM Code)	CIPFA's Code of Practice for Treasury Management in the Public Services and Cross-Sectoral Guidance Notes, to which local authorities are required by law to have regard.

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Audit Committee

Wednesday 28 January 2026

Internal Audit Activity & Internal Audit Charter

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 - Head of Governance, Audit, & Procurement
Officer Contact Details:	**Tel:** 01952 383105 **Email:** tracey.drummond@telford.gov.uk 01952 383103 robert.montgomery@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Senior Management Team – 13 January 2026 Audit Committee – 28 January 2026

1.0 Recommendations for decision/noting:

Audit Committee is asked to:

1.1 Note the information contained in this report in respect to the Internal Audit planned work undertaken between 1 November 2025 and 31 December 2025 and unplanned work to date.

1.2 Approve the updated Internal Audit Charter for 2026/27.

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.

2.2 To provide members with an update on the Internal Audit Charter 2026/27.

3.0 Internal Audit Activity Report

Background

3.1 This report provides information on the work of Internal Audit from 1 November 2025 to 31 December 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.

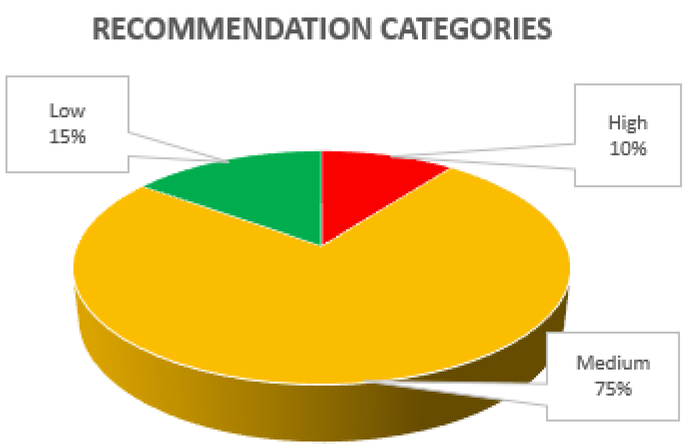
3.4 To determine the overall grading of the Internal Audit report each recommendation is risk rated (high, medium or low). The recommendation risk rating is based on the following criteria:

High risk = A fundamental weakness which presents material risk to the system objectives and requires immediate attention by management.

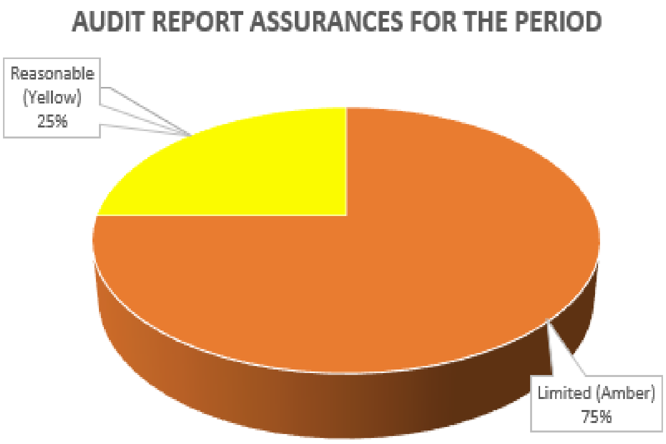
Medium risk = A recommendation to address a control weakness where there are some controls in place but there are issues with parts of the control that could have a significant impact.

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 3.3 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.

Area	Date of Report	Level of risk on plan	Original Audit Grade	Follow up Due	Revised Grade
HHAH Grant	03/11/2025	M	Limited	Next planned audit	N/A
John Randall Primary School and Nursery	05/11/2025	M	Limited	05/02/2026	N/A
Local Transport Capital Funding	20/11/2025	M	Limited	Next planned audit	N/A
The Local Stop Smoking Services and Support Grant	02/12/2025	M	Reasonable	Next planned audit	N/A

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**
PSP Register	17/02/2025	Reasonable	1st follow up complete. 2nd follow up to be undertaken	Reasonable	In Progress
Randlay Primary School	14/05/2025	Reasonable	Follow up due	N/a	In Progress
Sir Alexander Fleming Primary School	17/07/2025	Limited	In Progress	Good	Follow up complete. No further follow up to be undertaken
Supported Living	21/07/2025	Limited	In Progress	Reasonable	Follow up undertaken November 25. 2nd follow up due 05/03/26
Coalbrookdale & Ironbridge CE Primary School	25/07/2025	Limited	In Progress	Resonable	Follow up undertaken November 25. 2nd follow up due 20/02/2026
BIT	15/08/2025	Limited	Follow up due 15/11/2025	N/a	Follow up in progress

Town Park	05/08/2025	Reasonable	Follow up due 05/02/2026	N/a	Follow up due 05/02/26

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, 14 are in progress, 12 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 budgeted 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 Global Internal Audit Standards (GIAS) for the UK Public Sector alongside the normal quality review process undertaken for all audit assignments. The Head of Governance, Audit & Procurement undertakes an independent monthly check of randomly selected completed audit files to ensure they comply with:-

- The requirements of GIAS
- 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 Internal Audit Charter

Background

7.1 The Internal Audit Charter defines for the Council and the community internal audit activity's, purpose, authority and responsibilities, consistent with the requirements of the Global Internal Audit Standards (GIAS)[1] and the Council.

7.2 The terms of reference of the Audit Committee require the committee to approve the Internal Audit Charter on an annual basis. The charter has been reviewed by the Head of Governance, Audit & Procurement and changes made to reflect the requirements of the GIAS. The proposed Internal Audit Charter for 2026/27 is detailed on Appendix B, attached to this report. Changes to the charter are highlighted in yellow for ease of reading.

8.0 Summary of main proposals

8.1 The Audt Committee are asked to:

a) Note the information contained in this report in respect to the Internal Audit planned and unplanned work to date.
b) Approve the revised Internal Audit Charter 2026/27

9.0 Alternative Options

9.1 No alternative Options

10.0 Key Risks

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

11.0 Council Priorities

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

12.0 Financial Implications

12.1 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.

[1]GIAS apply to the Global International Standards to the UK Public Sector and have been endorsed as proper practice by CIPFA the Internal Audit standard setters for Local Government.

12.2 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

13.0 Legal and HR Implications

13.1 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.

14.0 Ward Implications

14.1 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.

15.0 Health, Social and Economic Implications

15.1 There are no health, social or economic implications directly arising from this report

16.0 Equality and Diversity Implications

16.1 Transparency supports equalities and demonstrates the Council's commitment to be open and fair

17.0 Climate Change, Biodiversity and Environmental Implications

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

18.0 Background Papers

1 2025/26 Annual Audit Plan
2 Global Internal Audit Standards (2024)- mandatory from April 2025

19.0 Appendices

A 2025/26 Annual Audit Plan
B 2026/27 Internal Audit Charter

20.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Director	06/01/2026	20/01/2026	AL
Legal	06/01/2026	16/01/2026	SH
Finance	06/01/2026	08/01/2026	KP

Audit Area	Service Area	Days	Priority	Risk rating	status
General ledger, assets & capital accounting - fixed asset module	Finance & Human Resources	15	All	H	In progress
Payroll/HR	Finance & Human Resources	15	All	H	
Sales Ledger	Finance & Human Resources	15	All	H	In progress
Council Tax/ NNDR	Finance & Human Resources	15	All	H	In progress
Purchase Ledger	Finance & Human Resources	15	All	H	
S106	Finance & Human Resources	as below	All	M	In progress
IDT x 5	Finance & Human Resources	46	All	H	2 In progress
Transition Leaving Care	Children’s Safeguarding and Family Support	10	1,2 & 5	M	In Progress
Together 4 Children	Children’s Safeguarding and Family Support	8	1,2, & 5	M	In Progress
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	In progress
Schools (8 schools)	Education & Skills	40	1,3,5	M	2 IP & 2 comp
Gypsy & Travellers	Neighbourhood & Enforcement	9	1,2,3 &5	H	In progress
S106	Neighbourhood & Enforcement	as below	All	M	In progress
Oakengates Leisure Centre	Housing, Commercial & Customer Services	10	All	M	In progress
Town Park	Housing, Commercial & Customer Services	10	All	M	Completed
Benefits	Housing, Commercial & Customer Services	15	All	M	In progress

Housing Management & Temporary Accomodation	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	Completed
Bus subsidy grant	Finance & HR and Neighbourhood & Enforcement	2	2,3,4 & 5	M	Completed
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 Serv	2	2,3,4 & 5	M	Completed
Happy Healthy Active Holidays	Finance & HR and Educ/Skills	2	All	M	Completed
Reallocated HS2 Funding	Finance & HR	2	All	M	Completed
Stop Smoking Grant	Finance & HR and Health & Wellbeing	2	All	M	Completed
Corporate audits					
Procurement/Contract Monitoring	All service areas	15	All	H	
Mileage Checks	All service areas	12	All	M	

Priority
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

Internal Audit Charter – 1 April 2026 to 31 March 2027

1. Introduction

1.1 This charter defines for the Council and the community internal audit activity's purpose, authority and responsibilities consistent with the requirements of the Global Internal Audit Standards in the UK Public Sector (GIAS-PS).

1.2 This charter will be approved by the Audit Committee, after consultation with senior management[1] and will be reviewed annually.

2. Internal Audit Purpose and Responsibilities

2.1 Internal Audit Purpose

2.1.1 The Audit, Governance & Procurement Team is led by the Head of Governance, Audit & Procurement under the direct management of the Director: Policy & Governance. The team supports the Co-operative Council in the delivery of services to the community to help improve their quality of life and the promotion of Telford & Wrekin as a place of partnership, enterprise and innovation. The team supports the whole Council to deliver economic, efficient and effective services[2] and achieve the Council's programme to ***"Protect, Care and Invest to Create a Better Borough".***

2.2 Internal Audit Objectives

2.2.1 To review the effectiveness of the governance, risk management and control processes of the Council to aid improvement, provide a level of assurance and an opinion on them to the Council.

2.2.2 To provide a respected, cost effective, objective and quality internal audit service including the provision of advice and guidance to assist our customers to meet their objectives and improve their services, including the rationalisation of controls, where appropriate.

2.2.3 To deliver value adding internal audit activity whilst meeting the requirements of the GIAS-PS including the Code of Ethics (especially objectivity and integrity) and the Core Principles for the Professional Practice of Internal Auditing (see ANNEX I).

2.2.4 To work with the External Auditor and other assurance bodies to provide the most effective internal audit service.

2.2.5 To value and continuously develop the team to ensure the expectations of the Senior Management Team and Audit Committee are met.

2.2.6 To provide an environment where internal auditors are supported when expressing their legitimate, evidence-based audit results regardless of whether these are favourable or unfavourable.

2.2.7 To report on any instances of behaviour that is inconsistent with the values and ethics of the Council.

2.3 Internal Audit Responsibilities

2.3.1 To undertake the Statutory Section 151 audit for the Chief Financial Officer (CFO), in line with the Accounts and Audit Regulations 2015.

[1] Senior management is the Senior Management Team comprising the following officers - Chief Executive, Executive Directors and Directors.
[2] By providing advice and guidance on the management of risks, controls and governance processes in service delivery and by supporting service reviews, restructures and reducing bureaucracy

2.3.2 To deliver the Council's risk based annual audit plan taking into account the Accounts and Audit Regulations 2015, the management of risk, senior management consultations, internal and external intelligence, comments from the Audit Committee and any requirements of the External Auditor. The plan is reviewed and amended, if required. Any significant changes are reported to senior management and the Audit Committee.

2.3.3 To ensure that there are sufficient resources to deliver the statutory requirements and plan above and to report any potential concerns to the CFO, Monitoring Officer and Audit Committee.

2.3.4 To operate as an independent, objective assurance function designed to add value and improve the effectiveness of the governance, risk management and control processes of the Council. The independent assurance work may include financial, performance, compliance, system security and information governance assignments.

2.3.5 To undertake audit assignments with honesty, professional curiosity and principled leadership.

2.3.6 Internal Audit does not undertake any individual consultancy assignments.

2.3.7 To ensure audit assignments are delivered to measure the effectiveness of risk management at a local level.

2.3.8 To appropriately manage any potential conflicts of interest in the delivery of internal audit activities and non-audit activities and to periodically rotate the annual audit work between staff.

2.3.9 To provide factual, clear, objective, accurate and concise internal audit reports to support management in implementing recommendations to improve services and risk management, control and governance processes.

2.3.10 To ensure internal audits do not make deceptive statements and/or conceal or emit audit findings and material facts.

2.3.11 To provide responsive, challenging, and informative advice and support on risk management, controls and governance to management.

2.3.12 To report to the Audit Committee[3] as defined in their terms of reference.

2.3.13 To develop and maintain a quality assurance and improvement programme covering all aspects of the internal audit activity.

2.3.14 To arrange no less frequently than every 5 years an external assessment of internal audit by an appropriate person[4] from outside the Council. The timing, form of the assessment and the results will be agreed with and reported to the Audit Committee.

2.3.15 To investigate and/or support the investigation of cases of suspected financial irregularity, fraud or corruption, except council tax support fraud investigations, in accordance with agreed procedures.

2.3.16 To provide appropriate assurance to relevant parties external to the Council. Currently Internal Audit complete:

- The Annual Governance & Accountability Return for a number of Parish Councils they have contracts with
- Internal audit/scrutiny work for a number of multi academy trusts

[3] The Audit Committee is the Board as defined in the Public Sector Internal Audit Standards
[4] Qualified, independent assessor or assessment team

2.4 Internal Audit Authority

2.4.1 The Head of Governance, Audit & Procurement is the Council's Chief Audit Executive as defined in the GIAS-PS.

2.4.2 The Head of Governance, Audit & Procurement is line managed by the Council's Director: Policy & Governance but has unfettered access to the Chief Executive, the Chief Finance Officer (CFO) and all senior managers within the Council.

2.4.3 The Head of Governance, Audit & Procurement has responsibility for non-audit services including Information Governance, Insurance Services, Risk Management, Corporate Investigation Team and the Corporate Procurement Team all of which contribute to organisational good governance.

The Head of Governance, Audit & Procurement will communicate any further changes to their scope of responsibility in terms of non-audit functions to the Audit Committee. In order to avoid/manage any potential conflicts in respect to the audit of the Information Governance, Insurance, Risk Management and Procurement functions (and any other future additional functions) these audit assignments are overseen by the CFO and/or Monitoring Officer (MO).

2.4.4 The Head of Governance, Audit & Procurement, in conjunction with the Director: Policy & Governance, reports to the Audit Committee but also has unfettered access to the Chair of the Audit Committee, the Leader, other Cabinet Executives and the External Auditor.

2.4.5 In order for Internal Audit officers to be independent and objective whilst undertaking Internal Audit activity they have the authority to:

- enter at all reasonable times any Council premises or land.
- have access to all Council and partner records[5], documentation and correspondence relating to any financial and/or other transactions or other business of the Council, its employees or members, as considered necessary by the CFO, Monitoring Officer or Head of Governance, Audit & Procurement.
- have access to records belonging to third parties such as contractors or partners when required.
- require and receive such explanations as are regarded necessary concerning any matter under examination from any employee, member, partner or third party; and
- require any employee or member of the Council or any partner/third party to account for cash, stores or any other Council property which is under his/her control or possession on behalf of the Council.

2.4.6 If, at any time, it is determined that the independence and/or objectivity of Internal Audit is impaired, the Chief Audit Executive will report this immediately to the Senior Management Team (SMT) and Audit Committee. SMT and the Audit Committee will work with the Chief Audit Executive to determine actions to resolve the situation.

2.4.7 The Chief Audit Executive will put measures in place to safeguard and manage any potential or perceived impairments. These measures will include clear reporting lines for any internal auditor that believes impairment exists or could exist.

[5] Records include business e-mail and internet records

2.5 How the Head of Governance, Audit & Procurement will form and evidence his opinion on the control environment to support the Annual Governance Statement.

2.5.1 The Head of Governance, Audit & Procurement prepares an annual audit plan. Internal Audit planning is informed and influenced by the Council's vision, priorities and values, the strategic risk register, the requirements of the External Auditor, previous Internal Audit work, external networking intelligence, discussions with the Council's statutory officers and consultations with the Council's service area management teams and senior management.

2.5.2 The audit plan outlines the work assignments to be carried out, the resources allocated and the Council priority/ priorities they contribute to. The plan is flexible in order to reflect the changing needs and priorities of the organisation. Work is carried out by the audit team in accordance with the GIAS-PS using a risk-based audit methodology and each Internal Audit report provides an opinion on the area reviewed.

2.6 How Internal Audit's work will identify and address significant local and national issues and risks.

2.6.1 The Head of Governance, Audit & Procurement has quarterly meetings with the Chief Executive, CFO and MO. Senior audit staff meet with Directors and their management teams as required to identify any local and national issues and risks, changes in the service area, and any new areas that require input from Internal Audit.

2.6.2 Employees within Internal Audit have access to the West Midlands Internal Audit Groups and other CPD/networking events through Chartered Institute of Public Finance Accountants and the Chartered Institute of Internal Auditors. This support continued professional development and help to identify any issues that may affect the delivery of internal audit services.

2.6.3 The Chief Audit Executive will report any instances of unacceptable levels of risk to the Senior Management Team and Audit Committee.

2.7 Internal Audit Resources

2.7.1 For 2026//27 the Internal Audit team has a resource of 3.76 full time equivalent (fte) employed staff, which includes 25% of the Audit Governance & Procurement Lead Manager.

2.7.2 The budget for Internal Audit[7] is approved by the Council as part of the annual medium term financial strategy following consideration by senior management, Scrutiny and the Cabinet.

2.7.3 The Chief Audit Executive will refer to the Senior Management Team and Audit Committee where they believe internal audit has insufficient resources.

2.8 Internal Audit and the Audit Committee

2.8.1 Internal Audit will report to the Audit Committee on the following:

a) Approval of the Internal Audit Charter.
b) Approval of the risk based Internal Audit Plan.
c) Update reports on Internal Audit activity and performance against the plan.
d) An annual report containing an opinion to inform the Annual Governance Statement; and
e) Any concerns in respect to Internal Audit resources and the level of assurance that can be provided.

2.8.2 The Audit Committee will be part of the approval process for appointing the Councils Chief Audit Executive.

2.8.3 The Chair of the Audit Committee and the Chief Executive will feed into the Annual Personal Performance & Development process for the Chief Audit Executive.

Compliance with the Global Internal Audit Standards in the UK Public Sector

MISSION OF INTERNAL AUDITING: To enhance and protect organisational value by providing value added, risk-based and objective assurance, advice and insight.

The definition of Internal Auditing within the Standards is:

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Code of Ethics - Summary

Internal auditors in UK public sector organisations must conform to the Code of Ethics within the Standards. If individual internal auditors have membership of another professional body then he or she must also comply with the relevant requirements of that organisation.

There are 4 principles in the code of ethics:

1) Integrity – The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.
2) Objectivity – Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.
3) Confidentiality – Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
4) Competency – Internal auditors apply the knowledge, skills and experience needed in the performance of internal audit services.

All public sector officials including internal auditors must also have regard to the Committee on Standards of Public Life's *Seven Principles of Public Life*.[6]

Internal Auditing Professional Practices Framework

Core Principles for the Professional Practice of Internal Auditing

1. Demonstrates integrity.
2. Demonstrates competence and due professional care.
3. Is objective and free from undue influence (independent).
4. Aligns with the strategies, objectives, and risks of the organization.
5. Is appropriately positioned and adequately resourced.
6. Demonstrates quality and continuous improvement.
7. Communicates effectively.
8. Provides risk-based assurance.
9. Is insightful, proactive, and future-focused.
10. Promotes organisational improvement.

Council's values: – Ownership – Openness & Honesty – Involvement – Fairness & Respect

Telford & Wrekin Co-operative Council | Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Audit Committee

Wednesday 28 January 2026

Updated Strategic Risk Register and Risk Management Strategy

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, Rob Montgomery - Principal Auditor, Audit, Governance & Procurement Lead Manager
Officer Contact Details:	**Tel:** 01952383103 **Email:** Robert.Montgomery@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	Senior Management Team – 13 January 2025 Audit Committee – 28 January 2026

1.0 Recommendations for decision/noting:

The Committee is asked to:-

1.1 Note the information in respect to the updated Strategic Risk Register.

1.2 Approve the updated Risk Management Strategy.

2.0 Purpose of Report

2.1 The purpose of this report is to update members on the Council’s Strategic Risk Register and to ask for approval of the updated Risk Management Strategy.

3.0 Background

3.1 The Audit Committee's terms of reference state the the committee has the responsibility on behalf of the Council for the overseeing of the Council's audit, governance and financial processes including risk management.

3.2 The Council manages risk at all levels of activity. The Strategic Risk Register only details high level risks that may affect the delivery of the Council's priorities.

3.3 To support the management of risk, the Council has a Risk Management Strategy that was approved previously by the Audit Committee.

4.0 Summary of main proposals

4.1 This report, and accompanying documents sets out the Council's approach to Risk Management. It seeks approval of the updated risk management strategy to ensure that the Council continues to address and control risk whilst, at the same time, is not so risk averse as to miss opportunities that improve service delivery or enable continuous improvement..

5.0 Alternative Options

5.1 There are no alternative options.

6.0 Key Risks

6.1 In the event that the Council does not have in place a risk management strategy, the Council could be exposed to unforeseen risk without a mitigation strategy in place.

7.0 Council Priorities

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

8.0 Financial Implications

8.1 There are no direct financial implications as a result of the Risk Register and Risk Strategy. The financial risks aligned to each risk category have been noted in Appendix 1 and should be agreed / approved as part of the process.

9.0 Legal and HR Implications

9.1 In accordance with the Accounts & Audit Regulations 2015, the Council is required to have sufficient arrangements in place to manage risk and ensure appropriate financial controls.

10.0 Ward Implications

10.1 The Council’s risk management arrangements encompass all of the Council’s activites across the Borough and therefore it operates within all Council Wards detailed in the Parish Charter.

11.0 Health, Social and Economic Implications

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

12.0 Equality and Diversity Implications

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

13.0 Climate Change, Biodiversity and Environmental Implications

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

14.0 Background Papers

None.

15.0 Appendices

A Updated Strategic Risk Register
B Updated Risk Management Strategy

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Director	16/01/2026	18/01/2026	AL
Legal	05/01/2026	16/01/2026	SH
Finance	07/01/2026	16/01/2026	KP

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TELFORD & WREKIN COUNCIL STRATEGIC RISK REGISTER

DATE OF REVIEW – JANUARY 2026

Definitions used in the risk register:

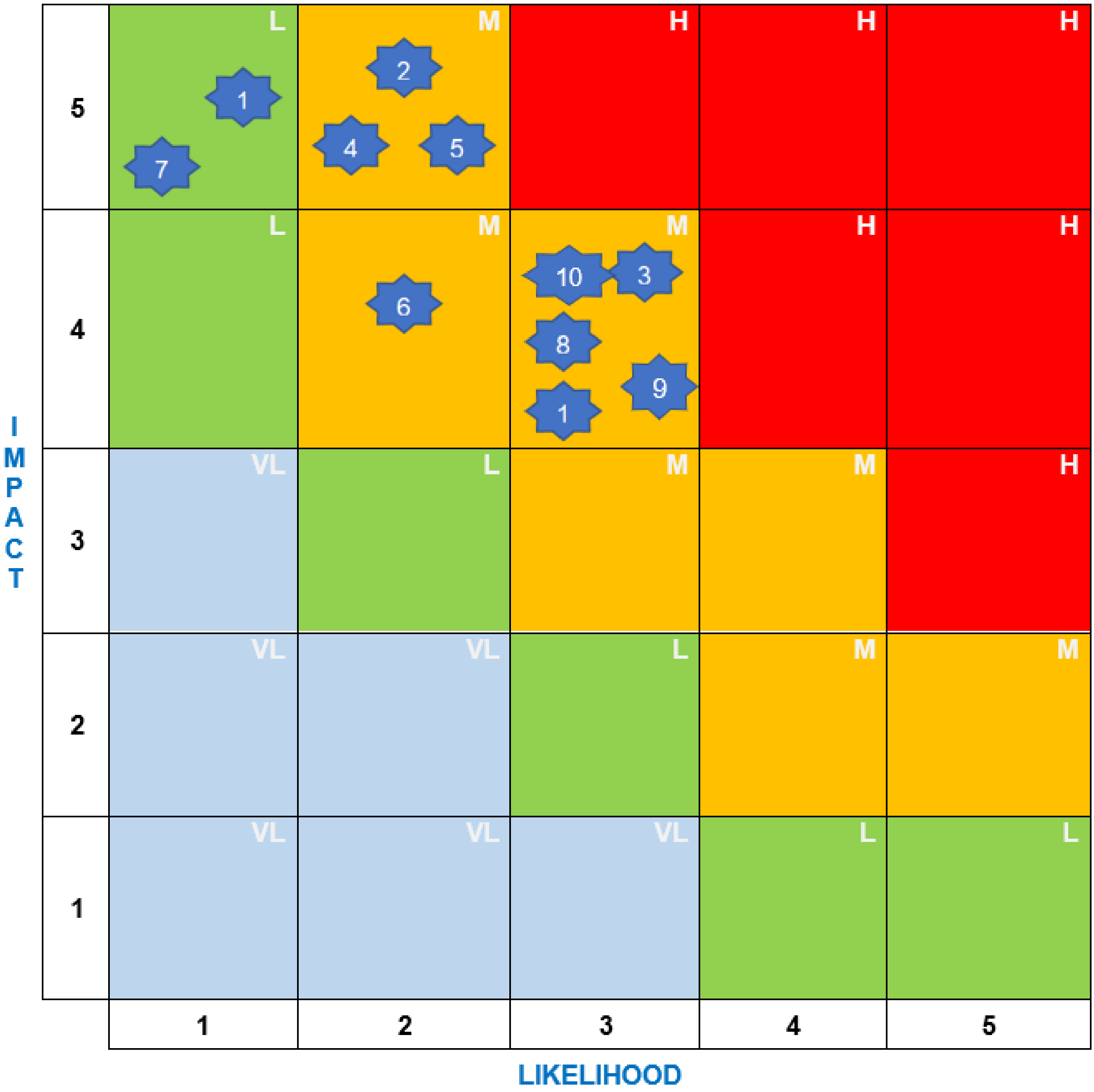
Likelihood of Risk Occurring

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 form 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 Change since last review: =	Very High without controls – Physical Reputation Finance Change since last review: =	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 £15.8m in 2026/27. The Council's net budget for Adult Social Care is over £97m in 2026/27. d) The Council has increased investment into Children's Safeguarding by £2.7m in 2026/27 with the net budget totalling £52m in 2026/27. e) The combined total net budget allocation for these services is nearly of £150m.	D Sidaway J Britton F Mercer	**Very Low with controls** Change since last review: =	**Very High with controls –** **Physical Reputation Finance** Change since last review: =

				f) A general budget contingency of £3.95m is held. £3.5m has also been provided for contract inflation and pay awards in 20226/27. 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. **Children:** 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			

				recruitment and retention of social workers l) Work to national inspection standards and respond to actions required from inspections. 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. 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. o) 'Essential learning' for all employees includes both child protection and CSE. **Adults:** p) Adult safeguarding part of Safeguarding Partnership in compliance with Care Act requirements and new Adult Safeguarding Guidance & Regulations. q) Adult Services - systematic quality assurance role for all managers from frontline team manager through to DAS.			

				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 including: • Setting up a lived experience sub-group of Safeguarding Adults Board (SAB) • Above sub-group has co-produced the SAB strategic plan and redesigning the SAB website • New feedback form for people and carers who have experienced a safeguarding process has been introduced – at end of October 25 overall satisfaction was at 100% r) Integrated Care Board's Quality and Performance Committee chaired by the Chief Nurse. s) 'Essential learning' for all employees includes adult safeguarding. t) In-house provide, My Options, has robust governance arrangements following the CQC and Ofsted and regulations of the Health and Social Care Act			

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	Inability to: a) Match available resources (both financial, people and assets) with statutory obligations, agreed priorities and service standards b) deliver financial strategy including capital receipts, savings and commercial income c) fund organisational and cultural development in the Council within the constraints of the public sector economy ***PRIORITIES:* P1, P2, P3, P4 and P5**	Very High without controls Change since last review: =	Very High without controls – Physical Reputation Service Change since last review: =	a) Robust commercial approach taken by Council services in terms of increasing income generation b) Rigorous medium term financial planning and regular monitoring and active management through S&FPG, SMT, Business Briefing and Cabinet. 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 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. e) Staffing, economic and environmental impact assessments of all savings proposals and appropriate consultation mechanisms in place. f) In-year savings exercises possible if necessary g) Rationalisation of Council assets and accommodation h) Prudent level of uncommitted one-off resources and in-year budget contingency of £3.95m.	D Sidaway M Brockway	**Low with controls** Change since last review: =	**Very High with controls – Physical Reputation Service** Change since last review: =

				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 17 consecutive years despite significant financial challenges arising from public sector austerity, increasing demand for services, high inflation, the COVID pandemic and the current cost-of-living emergency. m) Safeguarding Children Cost Improvement Plan in place which is monitored by senior officers and members. n) Adult Social Care Cost Improvement Plan in place which is monitored by senior officers and members.			

				o) Housing Investment Programme p) 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 q) Specialist legal and taxation advice taken as required r) Active Treasury Management in conjunction with regular advice and updates from specialist Treasury Management Advisors s) Cabinet Members regularly briefed t) All necessary strategies, policies and procedures in place to fully comply with CIPFA and MoHCLG codes and regulations with regular review u) Established approval process for agreement of business cases for new investment from the Council's Growth Fund and Invest to Save/Capacity Fund. v) 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. w) Completion of Equality Impact Assessments. x) Undertake regular benchmarking of services including with peer groups and via the LGA. y) Make or Buy Service Reviews to consider the most efficient, effective and economical delivery models for services and also identify additional income opportunities.			

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	Losing skills, knowledge and experience (retention & recruitment) in relation to staffing. ***PRIORITIES:* P1, P2, P3, P4 and P5**	Very High without controls Change since last review =	High without controls – Financial Reputation Service Change since last review =	a) Workforce Development Strategy in place, updated during 2025 and refreshed in 2026 with focus on delivering ambition of the Council being employer of choice. Strategy will focus on the following aims: • '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'	D Sidaway M Brockway	**Medium with controls** Change since last review =	**High with controls –** **Service Reputation Finance** Change since last review =

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				• 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 b) Senior Management, HoS and team leader development programmes. c) Each service area has a/is developing a workforce plan considering • skills gap analysis and needs • apprenticeships d) Specific HR policies: • use of market factor weighting for key groups • flexible working policy • staff benefit schemes e) "Grow your own" scheme for roles that are hard to recruit to. 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. g) The development of the Council's employment "offer" is ongoing h) Council values, ethos, rewards and recognition			

				i) Annual Personal Performance and Development discussions for all staff along with regular one to one meetings involving employees and their line managers. j) Staff awards ceremony to celebrate and encourage outstanding performance. 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 (from 1,405 completed surveys) reviewed by SMT, actions taken and disseminated to staff – 'you said, we did'. Results demonstrated that: • 84% would recommend the Council as a great place to work • 95% are interested in their work • 92% understand how their work contributes to Council priorities			

				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	Significant business interruption affecting ability to provide priority services, e.g. critical damage to Council buildings, pandemic, terrorist/cyber-attack loss of power or infrastructure etc.	Very High without controls Change since last review: =	Very High without controls – Physical Reputation Service Change since last review: =	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. b) Corporate Business Continuity Policy reviewed. Following this review the Service Delivery BC	Executive Directors	**Medium with controls** Change since last review: =	**Very High with controls – Service Reputation** Change since last review: =

	PRIORITIES: **P1, P2, P3, P4 and P5**			Template has been updated and will be rolled out during 2025. 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. d) Serious Incident Protocol has been adopted. e) Identification of Council owned buildings that fall under the Terrorism(Protection of Premises) Act 2025. f) Continue to invest in ICT capital programme. Data centre investment complete. g) Improvement/upgrade/replacement of key IDT systems IDT controls – Disaster Recovery facilities in place based on Priority Services in line with Business Continuity Plans. h) Roll out of “office 365” and the cloud. i) Investment in cyber security and awareness programme and training (see risk 7 also). j) Implementation of a 3rd generation firewall. k) 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.			

				l) Sound operational management of Council buildings. m) The Council have established a Protect and Prepare Board with key partners n) Simulation exercises have been undertaken to further educate staff with practical examples of phishing. o) Climate Change Adaption Risk Register is in place to support managers on unavoidable risks/impact of climate change			

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	Inability to manage the health & safety risks in delivering the council's functions (including building security and cyber security). ***PRIORITIES:*** **P1, P2, P3, P4 and P5**	Very High without controls Change since last review =	Very High without controls – Physical Reputation Financial Change since last review =	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. 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.	Jo Britton / Director of Public Health	**Low with controls** Change since last review =	**Very High with controls – Physical Reputation Finance** Change since last review =

				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 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. e) A Health & Safety Competency Framework has been implemented. It details the necessary training and competency of the key roles of the Health & Safety Policy. 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 g) System in place for reporting all accidents, incidents and near misses. Non reportable accidents are investigated by each service area. 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 i) Training to ensure health and safety compliance is provided on Health and Safety through a mixture of e-learning and face to face. j) Essential learning training for all employees includes health and safety and fire safety awareness. k) Consultation and communication with Trade Unions occurs through the H&S Committee. l) Personal Safety Precautions Risk Register available to employees. m) Appointed Cyber Security Manager to review and improve cyber security where required. n) Cyber security part of essential learning for all employees. Simulation exercises have been undertaken to further educate staff with practical examples of phishing. o) Annual corporate review of list of 1st aiders and fire marshals to ensure adequate resource in place p) Corporate review of list of fire marshals to ensure adequate resource in place			

				q) Enhanced risk assessments for specific individual/services r) Updated personal safety training s) Increased security at main Council buildings and at meetings t) Review of lockdown procedures at key Council buildings and security plans for major events. u) Building security kept under review. v) H&S is a standing agenda item at SMT meetings and Service Area Management Meetings.			

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	Inability to deliver effective information governance. ***PRIORITIES:*** **P1 and P5**	Very High without controls Change since last review =	Very High without controls – Financial Reputation Change since last review =	a) The Council has an Information Governance Framework which includes the Corporate Information Security Policy (CISP) and other policies (Data protection, Information Sharing policies) 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 c) Training and awareness programme put in place and Information Governance modules form part of induction	D Sidaway A Lowe	**Low with controls** Change since last review =	**High with controls –** **Reputation Finance** Change since last review =

				and essential learning programmes. d) Data Protection Officer reports regularly to SMT on IG related matters e) Data Protection Officer attends a number of management team meetings. f) General Data Protection Regulations 2018 implemented. g) SMT oversight of reported data breaches and incidents. h) All data breaches recorded, investigated and lessons learnt identified i) Detailed report is sent to relevant Director in respect to breaches occurring in their service area j) Directors email all employees that have contributed to a data breach or incident highlighting the potential consequences. k) Information Governance related posters in all main Council buildings l) Staff complete randomly generated questions on data protection/information security every quarter m) Regular bulletins on information governance related matters published in staff newsletter n) Completion of annual Data Security and Protection (DSP) toolkit. o) Annual Governance Statement process encompasses key			

				information governance related matters p) Key elements of information governance and IDT security are audited by an external company.			

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	Inability to respond adequately to a significant emergency affecting the community and/or ability to provide priority services. ***PRIORITIES:*** **P1, P3, P4 and P5**	High without controls Change since last review =	Very High without controls – Environment Financial Service Change since last review =	a) Work collaboratively with other Local Resilience Forum partner agencies, maintaining effective working relationships with the relevant bodies b) Council Emergency Plan 2024 has been tested in 2025 and improvements being implemented following this exercise. 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.	Exec Directors / Director of Public Health	**Medium with controls** Change since last review =	**Very High with controls –** **Service Reputation Finance Environment** Change since last review =

				d) Strategic, tactical and recovery training provided for SMT and relevant HoS's. Further training identified for those that have not received any. Emergency Planning exercise undertaken in 2025. e) Service level agreement in place with Shropshire County Council to share resource of a Resilience Manager. f) Maintaining appropriate, risk based contingency plans (Civil Resilience Manager) which are reviewed on regular basis 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. 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. i) Provider contract monitoring in place. j) Public health mechanisms in place to manage response to significant incidents. However prolonged incidents will result in			

				a significant human resource challenge k) Corporate budget contingency of £3.95m available to cover unforeseen costs arising up to Bellwin threshold where relevant. l) On-call arrangements in place, including for SMT and Corporate Communications.				

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	Inability to respond to impact of climate emergency on severe weather events including heat, cold and flood. ***PRIORITIES:* P3 and P4**	High without controls Change since last review =	Very High without controls – Environment Reputation Financial Change since last review =	a) Investment in highways capital programme. b) Corporate capital budget specifically for projects that support the Council to address/mitigate the impact of climate change are included within capital programme. c) Monitor ground stability in the Gorge and water levels. d) Use and testing of flood barriers in Ironbridge e) Adoption of Climate Emergency Becoming Carbon Neutral action plan which includes a commitment to ensuring that its operation and activities are	F Mercer	**Medium with controls** Change since last review =	**High with controls – Environment Reputation Finance** Change since last review =

				carbon neutral by 2030. 63% reduction to date, showing strong progress. f) Delivering a wide range of schemes to reduce carbon emissions. g) Driving partnership engagement and action on climate change through the Telford and Wrekin Borough Climate Change Partnership h) Addressing biodiversity through actions plans. i) Climate Emergency is at the forefront of the Council's priorities. In addition, there is a new Council priority defined – 'Our natural environment is protected – we are taking a leading role in addressing the climate emergency j) Strong relationships with key partners including the Environment Agency. k) Work of the Environment Scrutiny Committee is used to help inform policy development and highlight areas of best practice in this area l) Development and adoption of the Climate Change Adaption Plan meaning key measures are identified through a risk-based approach.			

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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	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. ***PRIORITIES:*** **P1, P2, P3, P4 and P5**	Very High without controls Change since last review =	Very High without controls – Financial Service Reputation Change since last review =	a) Major Projects Board in place b) Capital monitoring undertaken by all services/Directors c) Monitor business plans d) Workforce planning e) Monthly meetings of Specific Officer Boards providing oversight of major schemes particularly those LUF and TF Funded. f) Project Managers who monitor and report on delivery of key projects (internal and external). g) SMT oversight on large projects.	All of SMT	**Medium with controls** Change since last review =	**High with controls – Financial Service Reputation** Change since last review =

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 Change since last review =	Very High without controls – Financial Service Reputation Change since last review =	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 and wider involvement of people with lived experience to test policy/operational delivery with service users.	All of SMT	**Medium with controls** Change since last review =	**High with controls – Financial Service Reputation** Change since last review =

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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
2026 1.0	07/01/26	R Montgomery	SMT & Audit Committee	Approval and presentation to Audit Committee

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Risk Management Strategy

2026-28 (v2.1)

1 Introduction

What is the purpose of the Risk Management Strategy?

1.1 The purpose of the Risk Management (RM) Strategy is to effectively manage potential opportunities and threats to the Council achieving its objectives and priorities.

1.2 The Council's vision is to 'Protect, Care and Invest to create a better borough'. This vision is underpinned by 5 priorities, which are set out in the Council Plan:

Every child, young person and adult lives well in their community	All neighbourhoods are a great place to live	A community focussed, innovative council providing efficient, effective and quality services	Everyone benefits from a thriving economy	Our natural environment is protected and the Council has a leading role in addressing the climate emergency

1.3 There is also a legal requirement to manage risk. The Accounts and Audit Regulations 2015 state:

'*The Council [relevant body] is responsible for ensuring that the financial management of the Council [body] is adequate and effective and that the Council [body] has a sound system of internal control which facilitates the effective exercise of that Council's [body's] functions and which **includes effective arrangements for the management of risk***'

2 What are the aims and objectives of the RM Strategy?

2.1 The aims and objectives of this strategy are to encourage the Council's members and officers to continue to make risk-based decisions. In particular this strategy aims to:

- Ensure RM effectively supports the Council's overall governance arrangements
- Ensure the process for identifying, evaluating, controlling, reviewing, reporting and communicating risks at all levels is consistently applied and understood throughout the organisation
- Support the Senior Management Team to be a strategic lead and champion RM
- Develop best practice in risk management enabling better outcomes

2.2 This strategy gives confidence that the Council's governance process will embrace innovative approaches to deliver services through an increased capacity to exploit opportunity risks.

2.3 The strategic vision will be overseen by the Governance, Audit & Procurement Team working closely with key stakeholders across Council services. This will include working closely with key partners, service delivery areas and teams that lead on transformational programmes for the Council.

2.4 All Council members and employees are encouraged to:

- Be aware of the Council's governance arrangements which encompass and depend upon sound RM, in particular having a good knowledge of the RM Framework, Strategy, Policy and associated guidance notes.
- Understand their responsibilities in relation to risk.
- Participate, where necessary, in the identification, assessment and control of threats and opportunities.

3 What is the Council's RM appetite?

3.1 An organisation's risk appetite is the amount of risk that it is prepared to accept in order to achieve its objectives.

3.2 The Council's appetite for risk is one that embraces a culture of informed risk-taking without blame. By considering risk in a positive, but managed, way, the Council is creating more opportunities and increasing the chances of achieving its objectives.

3.3 However in all circumstances the Council will:

- Manage its financial affairs such that it significantly reduces the likelihood of any action being taken that would jeopardise its ability to continue to provide services within its available resource; and
- Secure the legal integrity of its actions at all times

3.4 The Council will look to optimise its risk appetite by managing risks so they sit in the green box on the table below.

Performance	Unaware	Managing	Fixated
High		**Managing risk to add value**	
Low	**Exposed to risk and not taking opportunity**		**Over control stopping innovation**

Approach to Risk

3.5 In addition to the above, the Council has zero risk appetite for risk exposure that could result in:

- Injury and/or loss of life.
- Non-compliance with legislative requirements.
- Potential compromise of the Council's IT infrastructure.
- Unethical practices, corruption, fraud and unfair practices.
- Creating significant financial risk that could lead the Council into issuing a Section 114 notice.

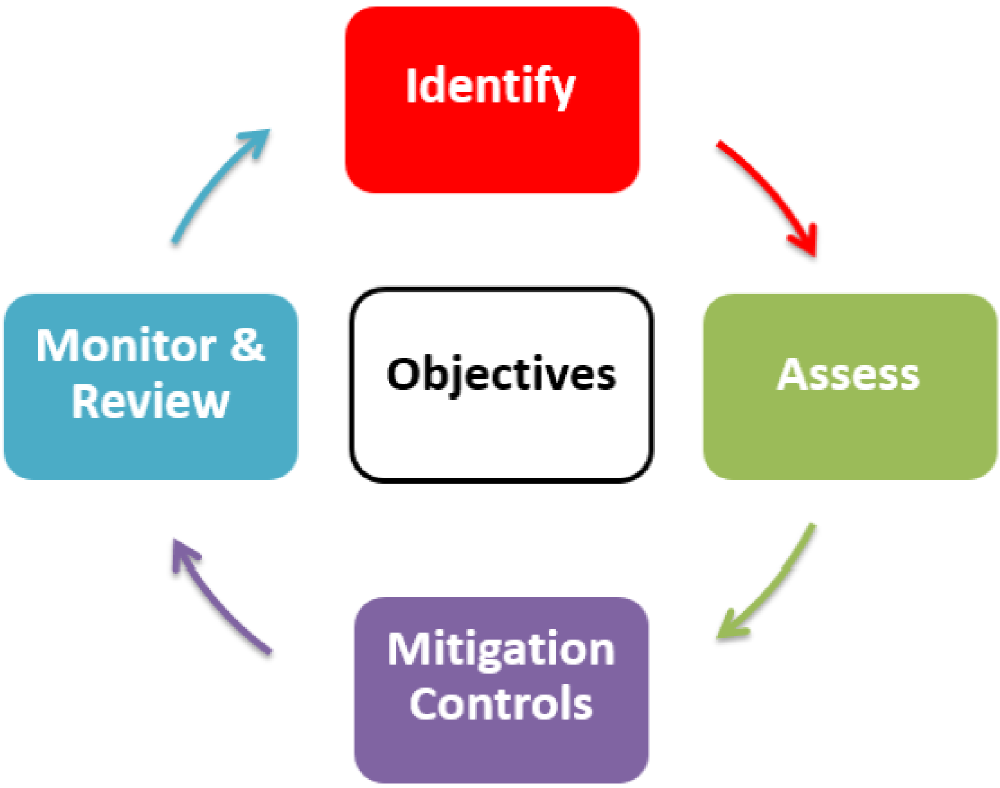
4 What is the Council's RM process?

4.1 RM is the process by which risks are identified, evaluated, responded to and monitored at regular intervals.

4.2 RM is also a business planning tool designed to provide a methodical way for addressing risk. It encompasses:

- Identifying the objectives and what can go wrong
- Acting to avoid it going wrong or to minimise the impact if it does
- Giving rise to opportunities and to reducing threats

4.3 There are 5 main steps in the Council's RM process.



Objective – Identify the objective you want to achieve

Identify – What will stop/help the objective being achieved?

Mitigation controls – What measures are in place to manage the risk? What more can we do and who will be involved?

Monitor and review – How have we recorded the risk? How do we know if the risk has changed?

4.4 For more information on the RM process please access the RM Policy and associated guidance notes and templates.

5 RM roles and responsibilities

5.1 The following are roles and responsibilities relevant to risk management:

Council	• Monitor annual risk management reports/activity via Cabinet and Audit Committee
Cabinet	• Delegates power to approve the risk management framework and corporate risk registers to the Audit Committee
Audit Committee	• Approve risk management framework, receive annual report on risk management activity and receive corporate risk register
Senior Management Team	• Input into risk management framework, determine actions on strategic and cross-cutting risks and delegate responsibility for service risk management, monitor Corporate Risk Register
Directors	• Ensure managers in their service area are managing risk in accordance with the framework and monitor this.
SDM's	• Create risk registers for their teams and ensure compliance with risk management framework
Staff/Stakeholder	• Maintain awareness of risk and feed into the formal risk management process
Audit, Governance & Procurement	• Create and maintain the risk management framework and provide advice and guidance where necessary

6 RM - Performance

6.1 The Council's RM arrangements require ongoing refinement and improvement to ensure they adapt to socio-economic changes and continue to be fit for purpose.

6.2 Governance, Audit & Procurement will review RM governance on an ongoing basis and as a minimum when new legislation and/or government guidance is introduced. The Director: Policy & Governance and Director: Finance, People & IDT have delegated authority to approve changes to RM governance documents. In addition, RM documents will be provided to the Audit Committee annually.

6.3 Key performance indicators will be introduced to monitor compliance with the RM framework and ensure risk performance is where the Council expects it to be in relation to its risk appetite. Initially 3 performance indicators related to RM will be monitored, these are:

- 70% of all non-casual staff have completed RM Ollie training
- All service area/team risk registers are updated every quarter

- 90% of actions detailed in risk registers have been completed by their target date

Document Version Control

Version	Date	Author	Sent To	Comments
Draft 1.0	26/8/21	R Montgomery	Anthea Lowe	RM asking for comments on draft RM strategy
Draft 1.1	30/6/23	R Montgomery	Anthea Lowe/Ken Clarke	RM asking for comments on draft RM strategy
Draft 1.2	7/9/23	R Montgomery	Anthea Lowe/ Ken Clarke	AL/KC comments incorporated
Draft 1.3	18.10.23	R Montgomery	Organisational Development / Audit Committee	Version to be agreed by Audit Committee
Final 1.4	20.2.24	R Montgomery	Council wide	Final agreed version
Draft 2.0	05.01.26	R Montgomery	Anthea Lowe / Michelle Brockway	Updated version in line with best practice
Draft 2.1	06.01.26	R Montgomery	SMT/Audit Committee	Updated after comments from AL/MB

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