

BUSINESS AND FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Business and Finance Scrutiny Committee held on Wednesday 17 September 2025 at 6.00 pm in the Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

Present: Councillors N A M England (Chair), N Page (Vice-Chair), G Luter, S Syrda and R Tyrrell.

In Attendance: M Brockway (Director: Finance, People & IDT), R Phillips (Registrars, Public Protection, Legal & Democracy Service Delivery Manager) and P Starkey (Senior Democracy Officer (Scrutiny)).

Apologies for Absence: Councillors J Kaur and L Lewis.

BFSC7 Declarations of Interest

None.

BFSC8 Minutes of the Previous Meeting

RESOLVED – that the minutes of the meeting held on 25 June 2025 be confirmed as a correct record and signed by the Chair.

BFSC9 Financial Monitoring 2025/26

The Director: Finance, People & IDT presented a report to the Committee which outlined the Council's financial position for the 2025/26 financial year, outlining the Council's early year budget position and associated pressures.

It was reported that the Council was on track to remain within budget by year-end without needing to draw on the Budget Strategy or General Fund reserves. Adult Social Care (ASC) remained the most significant financial pressure, with a projected overspend of £45.6m due to sustained demand, an increase in complexity of care needs, and extended care durations. The overall pressure for the Council was £4.9m and had been managed through the use of contingencies, including £2m allocated specifically for ASC, £0.75m one off contingency for general pressures and £2.1m of the general contingency of £3.95m used, leaving £1.8m of the general contingency remaining available for other pressures should they arise before year end.

Members heard that the Council's preventative approach in social care, which focused on early intervention and promoting independence, had delivered both financial and social benefits. Other pressures included a £0.268m liability from historic teacher pensions and a £4.66m deficit carried forward as part of the Dedicated Schools Grant (DSG), which was being managed under a statutory override extended to March 2028.

On a Council-wide level, financial gains of £0.989m had been realised through Section 31 grant receipts under the business rates retention scheme and the release of provisions for savings shortfalls. The Capital Programme stood at £138m, with a £135m forecasted spend and some rephasing expected into 2026/27. Income collection rates for Council Tax, NNDR, and Sales Ledger were below target, though recovery efforts were ongoing.

Members discussed the implications of the Fair Funding Review, which was expected to introduce a multi-year settlement framework and reassess local needs and resources. The Director: Finance, People & IDT explained that while exact figures would not be known until December 2025, the consultation process focused on relative needs and deprivation, and early indications had suggested that the Council could receive increased funding as a result although the scale of any gain remained uncertain.

In response to questions raised about usage of contingency funds in relation to the overspend in ASC, the Director: Finance, People & IDT advised that if pressures in the service continued beyond the allocated contingencies, the Council had a budget strategy reserve of £2.174m which it would be able to draw upon if required. Additionally, the Council had a strong track record of identifying in-year savings and bringing forward planned savings to restore balance to the budget.

In response to a question asked in relation to the Council's historical use of contingencies and reserves, the Director: Finance, People & IDT explained that while contingencies were reviewed and used as needed each financial year. In instances where the contingency had been fully used, the Council was able to identify in year savings to bring the budget back into balance. Members heard that the Council's budget strategy reserve had remained in tact for several years, reflecting a strong financial monitoring position.

In response to a question raised about how the Council accounted for population growth and demographic changes, the Director: Finance, People & IDT explained that the Council's Insight Team had provided detailed population data broken down into age group to inform future planning including ASC purchasing forecasts. While the Council can model expected changes based on population trends and current demand, it was noted that unanticipated increases in demand could still occur such as residents staying in care for prolonged periods resulting in budget pressures that could be difficult to predict.

In response to a question asked in relation to underspend and rephasing of the Capital Programme into 2026/27 and the effect on future budgets and income targets, the Director: Finance, People & IDT advised that while there had previously been income pressures linked to the Council's property investment portfolio, these had been offset by benefits in treasury management. Members heard that in the current financial year and at the time of the meeting there were no reported variations in either area.

In response to a question raised about in year financial performance monitoring, the Director: Finance, People & IDT explained that budgets were devolved to individual budget holders who had the responsibility for single or multiple cost centres. The Finance Team would continue to meet regularly with budget holders and Service Delivery Managers (SDMs) to review financial monitoring forecasts, which would then be consolidated into Directorate-level reports and escalated to the Senior Management Team (SMT), Business Briefing and Cabinet. Any emerging pressures would be addresses collaboratively between service areas before further action was taken. In terms of identifying overspend, it was highlighted that for ASC financial data was available within two weeks of month-end, supported by systems and care plan data, enabling a quick turnaround and early intervention.

The Committee thanked the Director: Finance, People & IDT for the detailed report and commended the Finance Team for their strong financial planning and monitoring processes, noting that the Council's approach had ensured stability despite national challenges and sector-wide pressures.

BFSC10 Work Programme Review

The Service Delivery Manager: Registrars, Public Protection, Legal & Democracy presented the updated work programme to the Committee. Members noted that the next scheduled item was an update on the Growth Fund in November and that, in the new year, the Committee would take on its responsibility for scrutinising the Council's budget, with three standard meetings planned for January.

BFSC11 Chair's Update

None.

The meeting ended at 6.24 pm

Chairman: _____

Date: Wednesday 5 November 2025