

BUSINESS AND FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Business and Finance Scrutiny Committee held on Thursday 15 January 2026 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), J Kaur, L Lewis, G Luter, S Syrda and R Tyrrell.

Also Present: Councillor Z Hannington (Cabinet Member for Finance, Governance & Customer Services).

In Attendance: M Brockway (Director: Finance, People & IDT), A Lowe (Director: Policy & Governance), P Starkey (Senior Democracy Officer (Scrutiny)), E Rushton (Head of Corporate & Capital Finance) and D Sidaway (Chief Executive).

BFSC17 Declarations of Interest

None.

BFSC18 Minutes of the Previous Meeting

RESOLVED – that the minutes of the previous meeting held on 5 November 2025 be confirmed as a correct record and signed by the Chair.

BFSC19 Medium Term Financial Strategy 2026/27 - 2029/30

By way of introduction, the Cabinet Member: Finance, Governance & Customer Services introduced the Medium-Term Financial Strategy 2026/27 – 2029/30 (MTFS), emphasising that the proposals set out within the report were far more than a financial plan but expressed the Council's values and priorities for creating a better borough.

The Cabinet Member highlighted the Council's sustained record of strong financial management over the past 14 years, noting that despite absorbing more than £195m in funding cuts from central Government, protecting and caring for the most vulnerable residents remained at the heart of all decision-making alongside investment in local services, neighbourhoods and the wider economy to ensure continued growth and resilience.

The Cabinet Member reiterated that every £1 generated locally through council tax collection was invested directly in supporting residents across the borough and thanked officers for their continued commitment and professionalism in managing the Council's finances during a period of intense national pressure.

The Director: Finance, People & IDT presented the report to the Committee which set out the position of the Council as it approached the end of the 2025/26 financial year, followed by a summary of the main proposals outlined within the budget for 2026/27 and had been agreed by Cabinet for consultation at its meeting on 6 January 2026.

The Director: Finance, People & IDT provided an overview of the budget breakdown explaining that the Council's net revenue budget for the 2025/26 financial year was £167m, of which, £128m (equivalent to 76% of the budget) was allocated to social care services. When services in Education & Skills were included, this increased to approximately 84% of total spending, leaving limited funding available for other Council functions.

The Committee heard that the Council had continued to face significant financial challenges driven by rising costs and sustained demand for services, particularly in Adult Social Care, Children's Safeguarding, homelessness and home-to-school transport. Despite these pressures, the Council maintains a strong track record of sound financial management, having delivered a balanced budget for 17 consecutive years.

The base budget for 2026/27 was set at £233.4m with approximately 70% allocated to Adult Social Care and Children's Social Care services. Pressures arising from population growth, increased demand for complex care and inflation had necessitated further investment including £15.8m of additional funding for Adult Social Care and £2.7m for Children's Safeguarding. The funding settlement from Government assumed that every local authority would increase Council Tax by the maximum allowed. That being the case, the MTFS proposed a general council tax increase equivalent to £0.72 per week for an average Band B property, alongside an Adult Social Care precept of £0.48 per week, generating £4.7m towards the additional £18.5m investment required for Social Care. Even with these increases, the Council would continue to have the lowest council tax levels in the Midlands for the services it provides.

The Committee noted that the capital investment programme totalled £437m and would fund a wide range of projects including:

- Over £88m for Nuplace and Telford & Wrekin Homes, plus affordable and specialist housing programmes.
- Over £59m to support further Growth Fund initiatives.
- Over £103m for transport and highways.
- Over £41m for education capital projects.
- £16.3m for leisure and cultural schemes.
- £56m for the Local Regeneration Fund and £22m for the Pride in Place Programme.

Members were informed that these schemes not only delivered essential infrastructure and community improvements but also generated significant ancillary financial returns, supporting wider service delivery and minimising the need for deeper service reductions.

The report also outlined new savings proposals totalling £19.1m to be delivered by 2028/29, primarily through service reviews, income generation and efficiencies. Since 2009/10, the Council had delivered £195.3m in ongoing annual savings.

The Director: Finance, People & IDT outlined the impact of key national changes including the implementation of the Fair Funding Review and a reset of the Business Rates Retention System from April 2026. Members heard that these reforms would fundamentally change the local government finance system, introducing updated funding formulas based on more accurate population and deprivation data and consolidating more than 30 grants into four new funding streams covering homelessness, rough sleeping and domestic abuse, children, families and youth, public health and a new crisis and resilience fund.

In December 2025, it was announced that the Council would expect to receive the first multi-year local government finance settlement in over a decade with provisional figures provided through to 2028/29. Council Tax referendum limits remained unchanged, including the 2% Adult Social Care precept. Additional funding for Adult Social Care had been built into the settlement rising nationally to £150m in 2026/27, £250m in 2027/28 and £500m by 2028/29, providing greater certainty for medium-term planning, although significant national cost pressures and local service demands continued to create challenges. The previous one-off Recovery Grant had been confirmed for the full multi-year period with the Council allocated £3m per year.

Members noted that the Council had a seventeen-year track record of closing the accounts within budget and had consistently maintained prudent levels of reserves and contingencies, including a general contingency of £3.95m, allowances of £3.5m for inflation and pay awards and had a Budget Strategy Reserve of £21.7m. Members were advised that the Council's accounts were prepared in accordance with relevant accounting standards and that historic delivery of £195m of savings demonstrated strong financial resilience.

The four-week budget engagement process was due to run from 7 January to 3 February 2026, with feedback sought from residents, businesses, Town and Parish Councils and the voluntary sector. Final recommendations were due to be considered by Cabinet at its meeting on 12 February 2026, which would contain recommendations to be considered by Full Council at its meeting later in the month on 26 February 2026.

In response to questions on the changing composition of funding and the increased Revenue Support Grant (RSG) allocation, the Director: Finance, People & IDT explained that the uplift resulted from the consolidation of previously separate grants into RSG worth £29m and the Council's allocation increasing by over £6m in 2026/27. Although the proportion of core funding derived from RSG would rise, council tax and business rates would remain the principal sources of income, reflecting the continued national shift toward locally generated funding.

In response to questions regarding the impact of the business rates revaluation and reset, the Director: Finance, People & IDT advised that the Council was currently preparing its NDR1 return, which would confirm the business rates position for 2026/27. Transitional protection arrangements would be in place for businesses experiencing notable increases, with government-led support expected for the hospitality sector. Any losses in retained income to local government would be offset through compensatory grant mechanisms.

In response to questions relating to value for money, the Head of Service: Corporate & Capital Finance, confirmed that external auditors had not raised any concerns in their most recent audit of the Council's financial position and governance arrangements. The Committee was advised that the Council had received strong value-for-money conclusions and that previous peer reviews had found the organisation to be well-led, financially resilient and delivering effective outcomes for residents. The Chief Executive noted that performance feedback, including resident surveys had continued to demonstrate high levels of satisfaction with local services. The Council had also been awarded Council of the Year in 2025 by the Local Government Chronicle.

In response to questions on general and special fund reserves, the Director: Finance, People & IDT reported that the Budget Strategy Reserve remained at £21.7m and had been maintained at this level for several years. While increasing reserves would provide additional financial resilience, this could only be achieved where year-end underspends occurred. The Director: People & IDT emphasised that the Council's reserves compared favourably with other authorities and were considered prudent in light of the national pressures faced.

In response to questions in relation to demand for Adult Social Care placements and the impact of changes to local hospital pathways, the Director: Finance, People & IDT explained that demand had risen both in volume and complexity. The authority continued to prioritise supporting people to remain in their own homes wherever possible, but increases in demand for beds were being seen. The Chief Executive added that whilst pressures across the health system were significant, the transition of the Princess Royal Hospital site to an elective centre was not expected to materially change demand patterns, with system-wide winter pressures remaining the primary driver.

In response to questions regarding the monitoring and delivery of savings, the Director: Finance, People & IDT highlighted the Council's robust financial monitoring arrangements, including regular reporting to Cabinet and Full Council, RAG-rated savings tracking and a weekly Budget Control Board reviewing progress across Adult Social Care. It was confirmed that these monitoring arrangements allowed for early warning indicators, with comprehensive oversight provided through Senior Management Team reviews and scrutiny of quarterly Financial Monitoring Reports.

Following the discussion, Members agreed that no further meetings would be required to consult on the budget proposals and that the drafting of a formal budget response be delegated to the Chair of the Committee in consultation with the remainder of the Committee.

RESOLVED – that a formal response from the Business & Finance Scrutiny Committee in support of the Medium-Term Financial Strategy 2026/27 – 2029/30 be included in the final version of the strategy for consideration by Cabinet on 12 February 2026 and Full Council on 26 February 2026.

BFSC20 Work Programme Review

The Director: Policy & Governance presented the updated work programme. The current focus of the Committee was the budget consultation however future meetings would focus on the items identified in the work programme.

As the Committee works to a rolling two-year work programme, some of items remaining on the work programme would be scheduled for the 2026/27 municipal year.

The Chair expressed an interest in the Committee undertaking a piece of work on the Pride in Place programme, exploring alternative accommodation options within the estates, including the potential repurposing of existing structures into single-person dwellings. The Committee indicated that they would welcome the opportunity for this topic to be brought to a future meeting, with arrangements for doing so to be agreed outside of the meeting.

BFSC21 Chair's Update

The Chair thanked Officers and Members for their participation in the meeting and the workshop which was held in the last week. As a decision was reached by the Committee in relation to the budget proposals, it was agreed that the meeting scheduled for Tuesday 20 January would no longer be required.

The meeting ended at 6.59 pm

Chairman:

Date: Tuesday 20 January 2026