



## Borough of Telford and Wrekin

### Cabinet

11 June 2026

### 2025/26 Financial Outturn Report

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<b>Cabinet Member:</b>	Cllr Zona Hannington – Cabinet Member: Finance and Resident Services
<b>Lead Director:</b>	Michelle Brockway – Director: Finance, People & IDT
<b>Service Area:</b>	Finance, People & IDT
<b>Report Author:</b>	Ed Rushton – Head of Service Corporate & Capital Finance
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<b>Wards Affected:</b>	All Wards
<b>Key Decision:</b>	Key Decision
<b>Forward Plan:</b>	Yes – 26 February 2026
<b>Report considered by:</b>	Senior Management Team – 12 May 2026 Business Briefing – 21 May 2026 Cabinet – 11 June 2026 Full Council – 16 July 2026

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#### 1.0 Recommendations for Decision/Noting

It is recommended that Cabinet:

Approves the following recommendations that will go forward to Full Council for final approval:

- 1.1 Note the performance against the 2025/26 Net Revenue budget which resulted in outturn being within budget by £133k;
- 1.2 The revenue outturn position for 2025/26, which remains subject to audit by the Council's external auditors, and related virements in Appendix C;

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- 1.3 The transfers to reserves, and associated approval to the relevant members of the Senior Management Team after consultation with the relevant Cabinet Member to spend the reserves detailed in Appendix E. In relation to the Income/Budget equalisation reserve, to grant delegated authority to the Chief Executive, in consultation with the Section 151 Officer, to approve its use;
- 1.4 The capital outturn position and related supplementary estimates, re-phasing and virements shown in Appendix D and as summarised in the report;
- 1.5 To grant delegated authority to the Director: Finance, People & IDT to make any changes required, in consultation with the Cabinet Member for Finance, Governance and Customer Services; and
- 1.6 To note the performance against income targets.

### **2.0 Purpose of Report**

- 2.1 To present the final outturn position for the year to members, relating to: the revenue budget, capital programme and income collection and seek the necessary approvals to comply with financial regulations.

### **3.0 Background**

- 3.1 The Medium-Term Financial Strategy (MTFS) 2025/26 – 2028/29 was approved at Full Council on 27 February 2025, which included the 2025/26 revenue budget and medium-term capital programme. Since the MTFS was approved, the economic climate has continued to be challenging with costs pressures being experienced, particularly in relation to the provision of Adult Social Care
- 3.2 Good financial management is an essential element of good governance and long-term service planning which are critical to ensuring that local service provision is sustainable and the use of resources is maximised in order to meet the needs of our residents.
- 3.3 Financial monitoring reports have been provided during 2025/26 showing the projected outturn position i.e. how projected net revenue spend compares to the budget set for the year; progress against the 2025/26 capital programme; the key issues to be highlighted; together with a summary of collection information in relation to Council Tax, Business Rates and Sales Ledger income. This report now shows the final financial outturn position for 2025/26.

The funding outlook for the medium term remains challenging with councils across the country continuing to face significant budget challenges arising from increasing costs and increasing demand for services. The Medium-Term Financial Strategy for 2026/27 – 2029/30 was approved at Full Council on 26 February 2026 and regular updates of the projected financial position for 2026/27 will be provided to Cabinet throughout the forthcoming financial year.

#### 4.0 Summary of main proposals

- 4.1.1 Nationally, Councils continue to face extreme challenges with unprecedented pressures fuelled by inflation and high demand for services – particularly Adult Social Care, Children’s Safeguarding, Homelessness and Home to School Transport.
- 4.1.2 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 2025/26 budget was set. The Bank of England base rate for interest was 4.5% in April 2025 and following several steady cuts throughout the year it ended the year at 3.75% (March 2026). Whilst the forecast trajectory for interest rates at the time the Council set the 2026/27 budget was anticipated as downward, the war in Iran and across large parts of the Middle East, which commenced on 28 February 2026, has led to a period of instability within the markets and interest rates have remained elevated with any cuts in the short-term deemed unlikely. In April 2025 CPI inflation stood at 3.5% compared to 3.4% in March 2026 which is above the Bank of England’s 2% target. During the year CPI peaked at 3.8% (July, August & September). Inflationary pressures impact on the cost of delivering services, which has been evident during 2025/26.
- 4.1.3 Despite the significant pressures faced during 2025/26, the Council ended the year within budget which is a considerable achievement and clearly demonstrates the strong financial management and financial resilience which is embedded in the authority, a testament to Cabinet Members, Management Teams and all employees. This has been achieved through a range measures including, maximisation of external income including grants received in year and trading income, capitalisation of revenue expenditure under the flexibilities of the capitalisation directive, one off savings from vacancy management and use of earmarked reserves.
- 4.1.4 The gross revenue budget for 2025/26 was £545.0m and the net budget was £167.6m. The revenue outturn position is within budget by £0.133m (which is equivalent to -0.08% of net budget). The year end position allowed a small number of one-off investments in key areas to be made which support the Council’s priorities and future financial sustainability. These are detailed in Appendix E and are included in the overall year end position shown.

A summary of the year end position is:-

	£m
Net Revenue Budget	167.640
Net Revenue Outturn	167.507
<b>Underspend</b>	<b>(0.133)</b>
Underspend as a % of Net Budget	-0.08%

It is pleasing to report that the Council has not had to make any unplanned use of the budget strategy reserve, which remains at £21.7m and 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, continued increasing demand for services.

Clearly, given the scale and complexity of the Council's budget, the vast number of different services provided to our residents and the pressures faced, there were a number variations from the approved budget in 2025/26. The prudent inclusion of specific contingencies within the budget have helped to support the key pressure area of Adult Social Care (ASC), with £6.8m essential additional investment being required relating to the cost of providing care and support across all client groups. This includes the impact of market price increases, more complex needs, higher demand and longer periods of care being required. This is after additional net investment of £7.9m into ASC in 2025/26 as part of the Medium-Term Financial Strategy. Work continues in the service to deliver care which maximises prevention and independence where possible. Other pressures were also experienced in Children's Safeguarding, £2.8m driven by a combination of increases in the number of Children in Care and higher placement costs and Education & Skills, £1.6m driven by pressures on High Needs budgets especially School & Post 16 Transport, historic pension costs and pressures on income budgets.

### 4.2 **2025/26 Capital Outturn**

Capital spend ended the year at £113.25m against an approved budget of £124.32m. Some re-phasing of expenditure into 2026/27 will take place as a result of re-profiling spend. The re-phasing will generate some treasury management benefits in 2026/27.

### 4.3 **Corporate Income Collection**

At the end of the year Council Tax, NNDR collection and Sales Ledger Debt were slightly behind targets set.

Ultimately, all debt will be rigorously pursued and will continue to be collected after the end of the financial year with appropriate recovery avenues being pursued at appropriate times.

### 4.4 **NuPlace Ltd**

NuPlace Ltd is 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. It is a separate legal entity and as such prepares its own accounts; in addition, the Council is also required to prepare consolidated group accounts as part of its financial statements which incorporates NuPlace Ltd's financial position. The unaudited accounts show that NuPlace received rental income of £6.25m in 2025/26 and generated an operating profit after interest and taxation of £0.588m. The company issued a dividend of £0.327m in 2025/26 which was paid to the Council as its sole investor. Including the dividend, the Council received a total of £2.0m from NuPlace Ltd during 2025/26, net of additional interest and other marginal costs. The financial benefits that arise from NuPlace are invested in providing front line services such as providing Adult Social Care services to vulnerable residents and have helped to reduce the budget savings that would otherwise have had to have been made as a result of Government grant cuts.

The Council's investment, through a mix of equity and debt, in Nuplace Ltd is £97.7m at 31 March 2026 and the company's assets are valued at £135.4m.

#### 4.5 General

The draft formal statement of accounts will be considered at the Audit Committee and audited by KPMG, the Council's external auditors. The accounts will also be available for public inspection as required by legislation. The Statutory deadlines for publishing the audited accounts for the financial years 2024/25 to 2027/28 were amended in 2024 to help address the national backlog of local authority audits. The backstop date for 2025/26 is 31 January 2027; KPMG will begin their audit work in July and we expect to be well within this deadline. The Council was able to meet the back stop for the publishing the audited Statement of Accounts for both 2023/24 and 2024/25 and an unqualified/unmodified audit opinion (which is the best possible opinion) was issued by KPMG in both years. Approximately 40% of bodies in the sector received unmodified audit opinions at the back stop date for 2024/25, 27 February 2026, with over 50% having modified opinions, the majority of which were disclaimed opinions, and 8% remained outstanding.

4.6 Summaries of the outturn on revenue and capital along with major variations are shown as appendices to this report.

#### 5.0 Additional Information

##### 5.1 2025/26 Revenue Budget

The Council had a gross revenue budget of £545.0m for the 2025/26 financial year and the final net revenue outturn position is as follows (a more detailed summary is provided in Appendix A):

	£m
Net Revenue Budget	167.640
Net Revenue Outturn	167.506
<b>Underspend</b>	<b>(0.133)</b>
Underspend as a % of Net Budget	-0.08%

5.2 Variations by Service Delivery Unit are summarised below and further detail is provided in Appendix B.

Service Area	Final Net Revenue Budget £	Outturn £	Variation £
Finance, People & IDT	14,282,775	14,399,966	117,191
Policy & Governance	1,237,888	1,304,856	66,968
Adult Social Care	81,958,675	88,740,714	6,782,039
Housing, Commercial & Customer Services	5,921,716	5,603,904	(317,812)

<b>Service Area</b>	<b>Final Net Revenue Budget</b>	<b>Outturn</b>	<b>Variation</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Children's Safeguarding & Family Support	49,312,041	52,117,586	2,805,545
Education & Skills	7,972,912	9,549,343	1,576,431
Health & Wellbeing	458,569	438,146	(20,423)
Neighbourhood & Enforcement Services	24,617,755	24,502,929	(114,826)
Prosperity & Investment	(10,731,244)	(10,142,530)	588,714
Council Wide	(7,391,407)	(19,008,274)	(11,616,867)
<b>Total</b>	<b>167,639,680</b>	<b>167,506,639</b>	<b>(133,041)</b>

This table shows the position for each service area after transfers to reserves detailed in the report. The figures in the above table exclude budgets and variances on capital, IFRS 16 Leasing and pensions charges which are "non-controllable" accounting entries.

- 5.3 Service variances over £0.250m are highlighted; all other variances over £50k are detailed in Appendix B.

<b>Service Area</b>	<b>Variance £m</b>
<b><u>Finance, People &amp; IDT</u></b>	
<b>Treasury</b> – impact of higher than budgeted interest rates during the year	+0.270
<b><u>Adult Social Care</u></b>	
<b>Longer Term Care Purchasing</b> – 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	+9.123
<b>Income</b> – overall benefit on income targets	(1.432)
<b>My Options – Adults &amp; Children's Services</b> – pressure on staffing budgets to meet demand	+0.266
<b>Operational efficiencies</b> – variations arising from vacancies, various working patterns and other operating expenditure	(1.256)

Service Area	Variance £m
<p><b><u>Housing, Commercial &amp; Customer Services</u></b></p> <p><b>Solar Farm</b> – additional costs associated with break in plus transfer to reserves of compensation payment received towards rectification works</p> <p><b>Housing Strategy</b> – utilisation of HPG Fund</p> <p><b>Affordable Housing</b> – income target shortfall linked to the delivery of housing schemes</p> <p><b>Homelessness Prevention</b> – maximisation in the use of grant funding</p> <p><b>Service wide pressures</b> – including budgeted vacancy factors which are delivered through services areas and pressures on savings that have not been delivered</p>	<p>+0.863</p> <p>(0.303)</p> <p>+0.268</p> <p>(0.623)</p> <p>+0.281</p>
<p><b><u>Children’s Safeguarding &amp; Family Support</u></b></p> <p><b>Children in Care, Leaving Care Team &amp; Speciality Services, Family Solutions:</b></p> <p><b>CIC Placement, Post 16 Staying Put &amp; Leaving Care Support</b> – increases in placement numbers and inflation associated with the cost of placements outweighed savings from the work with Impower and ongoing work on prevention, early intervention and review of all placement costs</p> <p><b>Health Funding</b> – anticipated health contributions in relation to health needs are greater than budgeted, impacted by increased overall placement costs</p> <p><b>Income</b> – increase in actual grant income received and use of specific reserve to offset placement costs</p> <p><b>Operational expenditure &amp; Income</b> – increased pressures on assessments, legal charges and placements costs associated with NRPF and intentionally homeless families offset by staffing vacancies within the service and use of reserves</p>	<p>+4.380</p> <p>(1.889)</p> <p>(0.367)</p> <p>+0.580</p>
<p><b><u>Education &amp; Skills</u></b></p> <p><b>School &amp; Post 16 Transport</b> – expenditure previously funded by Dedicated Schools Grant</p> <p><b>Employee costs</b> – additional costs due to inflationary pressures relating to historic staffing costs</p> <p><b>Skills</b> – shortfall in income targets</p>	<p>+0.695</p> <p>+0.296</p> <p>+0.423</p>
<p><b><u>Neighbourhood &amp; Enforcement Services</u></b></p> <p><b>Severe weather &amp; Winter Maintenance</b> – increased pressures due to bad weather</p>	<p>+0.317</p>

Service Area	Variance £m
<b><u>Prosperity &amp; Investment</u></b>	
<b>Operational Buildings</b> – one off underspends, including NDR rebates, due closures from developments at Leisure sites and The Place.	(0.711)
<b>Property Investment Portfolio</b> – income pressure due to phasing of Growth Fund capital expenditure, offset by approved one-off use of reserves	+0.531
<b>HCA Land Deal</b> – budgeted use of reserve not utilised	+1.011
<b><u>Council Wide</u></b>	
<b>Budgeted Contingency</b>	(7.200)
<b>Other Council Wide items</b> – including lower than budgeted contract and pay inflation, benefits from an increase in WME dividend and rebate offset by discount foregone from not taking up an option to prepay pension contributions	(6.943)
<b>Transfers to Reserves</b> – see Appendix E	+2.803

Transfers to reserves are detailed in Appendix E.

#### 5.4 Public Health

The Council receives a ring-fenced grant to support its Public Health responsibilities. In 2025/26 this grant totalled £14.96m. The conditions of the grant are that it must be used to address health needs and improve health and well-being in the community and work to support improving public health outcomes is delivered across a number of the Council's Service Areas. A summary of the grant in 2025/26 is shown in the table below:

	£
<b>Public Health Reserve (grant b/fwd from 2024/25)</b>	<b>1,539,316</b>
Add Public Health Grant allocation 2025/26	14,959,878
<b>Total Funding available for 2025/26</b>	<b>16,499,194</b>
Less Funding applied during 2025/26	14,972,101
<b>Public Health Reserve (grant c/fwd to 2026/27)</b>	<b>1,527,093</b>

#### 5.5 Dedicated Schools Grant (DSG)

Excluding funds passed to academies and colleges, Dedicated Schools Grant (DSG) totalled £135.729m in 2025/26. There was an overspend of £4.55m during the year. As a deficit balance of £4.66m had been carried forward into 2025/26 from the previous year, a year-end deficit of £9.21m has been carried forward to 2026/27.

This deficit arises because of high needs budget pressures. This is a national issue, illustrated by most upper tier Councils having a DSG deficit by the end of 2024/25 with a national, net deficit of £3.5bn. This figure is almost certain to have substantially increased in 2025/26. To alleviate pressure on the 2026/27 High

Needs budget, Telford & Wrekin’s Schools Forum again agreed to transfer 0.5% of the Schools Block to High Needs, amounting to £0.9m. This agreement illustrates the positive relationships with schools and other providers, which are invaluable in assisting the Council to maintain budgetary control of DSG, whilst ensuring that we meet our responsibilities to young people.

There is no like-for-like increase in the Government’s 2026/27 high needs funding allocation to Councils, including Telford & Wrekin. The High Needs DSG has increased in cash terms, but this is due to previously separate grants being brought within the high needs block. However, additional resources have been allocated to fund local SEND reform plans. Once a local authority’s SEND reform plan has been approved by government, 90% of the high needs DSG deficit incurred up until 31 March 2026 will be covered by an additional allocation of funds. The government has said that it will take a ‘proportionate approach’ towards further deficits incurred in financial years 2026/27 and 2027/28. The current ‘disregard’ of DSG deficits in local authority accounts will apply up to 31 March 2028, after which central government will take direct responsibility for deficits incurred. The Council will be required to fund 10% of the deficit accruing up to 2025/26 (£0.92m) plus a proportion of the deficits accruing in 2026/27 and 2027/28 when the statutory override ends on 31 March 2028.

## 6.0 Reserves and Balances

6.1 The main General and Special Fund balances were £4.444m at 1 April 2025. The position on the main General and Special Fund Balances is now:

	<b>£m</b>
Balances at 1 <sup>st</sup> April 2025	<b>4.444</b>
2025/26 Final Contribution to Balances	+0.133
<b>Balances at 31<sup>st</sup> March 2026</b>	<b>4.577</b>

The General/Special Fund balance forms part of the Council’s overall reserves and balances.

6.2 In addition to the General and Special Fund Balances, the Council has a general contingency of £3.95m in 2026/27 (which is ongoing) and £4.6m held centrally for inflation and pay awards in 2026/27. 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.

6.3 A number of specific transfers to reserves are proposed which support the Council’s priorities. These are included in the overall outturn position as reported above and are detailed in Appendix E.

6.4 The balance of the Public Health ring-fenced grant has also been carried forward to 2026/27 (in line with the grant conditions see section 5.4 above) as has the residual balance of other grants received in year, in line with accounting requirements.

## 7.0 2025/26 Capital Programme

7.1 The capital programme for 2025/26 totalled £124.32m. Some re-phasing of expenditure into 2026/27 will take place as a result of re-profiling capital schemes in delivery. Expenditure at the end of the year was £113.25m and is summarised in the table below:

Service Area	Budget £m	Actual £m	Variance	
			£m	%
Finance, People & IDT	7.39	5.68	(1.71)	77%
Policy & Governance	0.09	0.12	+0.03	138%
Adult Social Care	0.02	0.00	(0.02)	0%
Housing, Commercial & Customer Services	9.66	8.98	(0.68)	93%
Education & Skills	18.06	14.28	(3.78)	79%
Neighbourhood & Enforcement Services	19.31	17.41	(1.90)	90%
Prosperity & Investment	69.79	66.78	(3.01)	96%
<b>Total</b>	<b>124.32</b>	<b>113.25</b>	<b>(11.07)</b>	<b>91%</b>

7.2 The main scheme re-phasing to future years is shown below:

Service Area	Variance £m
<b><u>Finance, People &amp; IDT</u></b>	
ICT/eGov – spend slipped into 2026/27 to meet schemes in delivery	(0.76)
Capitalisation of Efficiency Schemes – costs in accordance with eligible spend during 26/27 and available capital receipts in year	(0.94)
<b><u>Housing, Commercial &amp; Customer Services</u></b>	
Local Authority Housing Fund – accelerated delivery following new government allocation	+0.56
Warm and Well Grant programmes – spend on several initiatives slipped to future years	(0.19)
Disabled facilities grant – spend fully committed in future years	(0.24)
Climate change – initiatives funded in future years	(0.36)
Swimming pool in the Dawley area – reprofiled in accordance with build profile	(0.49)
<b><u>Education &amp; Skills</u></b>	
Other School Schemes – schemes in delivery, spend reprofiled in accordance with build profiles	(3.78)

<b><u>Neighbourhood &amp; Enforcement Services</u></b>	
<b>Highways, Carriageways, structures, drainage, footways and Integrated Transport</b> – fully committed to schemes currently in delivery	+0.20
<b>Service and Financial Planning approved schemes in locality</b> – fully committed in future years	(0.33)
<b>Flooded Communities Grant in Aid</b> – retained for Ironbridge area	(0.55)
<b>On Street residential charge point scheme</b> – spend rephased to 2026/27	(0.68)
<b>Active Travel Grant</b> – rephased to 2026/27	(0.53)
<b><u>Prosperity &amp; Investment</u></b>	
<b>Property Investment Portfolio</b> – rephasing of schemes identified for delivery	(2.45)
<b>Local Regeneration Fund projects</b> – reprofiling of spend in line with revised programme of delivery, all fully committed	(0.67)
<b>St Georges Regeneration Project</b> – scheme ahead of budgeted delivery timescale	+0.33
<b>Housing Company</b> – spend ahead of budget for regenerated homes portfolio	+0.71
<b>Site preparation, playing pitch strategy &amp; HE land deal</b> – rephasing of works	(0.78)

7.3 There are a number of new approvals and slippage transactions which are detailed in Appendix D and require formal approval. New allocations include additional capital receipts of £27m from Nuplace Ltd across 2026/27 & 2027/28 for the purchase of properties at Station Quarter, additional grant funding of £9.6m in 2026/27 to support Education and Housing projects and additional prudential borrowing of £17.0m across 2026/27 to 2028/29 to support the Pride in Place programme, Local Regeneration Fund, Leisure schemes and Playing Pitch Investment.

7.4 The funding for the capital programme in 2025/26 included £6.9m estimated income from capital receipts. The actual income received in year was higher at £7.1m – the difference was mainly due to improved property investment portfolio capital receipts offset by the slippage of corporate receipts in line with delivery profiles.

## 8.0 Nuplace Ltd

8.1 Nuplace Ltd, is the Council's wholly owned housing investment company. It was set up in 2015/16 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, responding to the Borough's housing needs including the availability of accessible and adaptable

housing. Nuplace Ltd also operates a sub brand known as Telford & Wrekin Homes, intended to acquire and refurbish existing housing stock, which focusses on refurbishment and ensuring we make the best use of homes in the borough.

- 8.2 At 31 March 2026, Nuplace Ltd's housing portfolio comprised of 675 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.
- 8.3 During the year, works were completed at Main Road, Ketley Bank; The Gower, St Georges; Limes Walk, Oakengates and Walker Street, Wellington. Collectively these schemes have added a further 60 homes to the Nuplace Ltd portfolio. The Telford and Wrekin Homes portfolio has increased by 7 properties over the year, bringing the total number of properties held to 63 against a target of 100.

Work has progressed at pace on the residential element of a 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 Ltd, kick-starting the creation of a "city living" offer within Nuplace Ltd's predominantly suburban portfolio. The first 84, one-and two-bedroom apartments are due to be handed over in Spring 2026, followed by a further 33 town houses in early 2027.

- 8.4 In addition there is a strong pipeline of properties at feasibility stage as part of an ongoing programme with further planning applications being brought forward in the year ahead.
- 8.5 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 2.63% (£3.4m) over all completed sites.

The Council has invested £97.7m and the total value of fixed assets at 31 March 2026 is £135.4m

- 8.6 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. 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 2025/26 which will consolidate the Council and Nuplace Ltd's financial position.
- 8.7 During 2025/26, Nuplace Ltd
- distributed a final dividend of £0.012 per ordinary share registered on 30<sup>th</sup> September 2025, totalling £327,600,
  - received rental income of £6.3m, and
  - reported an operating profit before taxation of £0.871m, £0.587m after tax.

It should be noted that the Council has received income totalling £2.0m from Nuplace Ltd during 2025/26 net of additional interest and other associated 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 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.

**9.0 Corporate Income Monitoring**

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

9.2 In summary, NNDR collection is ahead of target, but council tax and sales ledger collection are slightly behind target.

<b>INCOME COLLECTION – 2025/26</b>			
	<b>Actual</b>	<b>Target</b>	<b>Performance</b>
Council Tax Collection	96.89%	97.3%	0.41% behind target
NNDR Collection	97.24%	98.1%	0.86% behind target
Sales Ledger Outstanding Debt	9.34%	6.0%	3.34% behind target

**9.3 Council Tax (£130.0m)**

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

Year End performance 2024/25	97.1%
Year End Target for 2025/26	97.3%

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

<b>Year End Target</b>	<b>Year End Actual</b>	<b>Prior Year Actual</b>
97.3%	96.89%	97.1%

Council Tax collection performance out turned at 0.2% below last year’s performance. A comparison of performance across the West Midland authorities is currently underway. A major reason for this fall in performance is the number of benefit recipients that have transitioned from legacy benefits to Universal Credit and are receiving less Council Tax Reduction as a result.

**9.4 NNDR-Business Rates (£84.5m)**

The percentage of business rates for 2025/26 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

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

Year End performance 2024/25	98.1%
Year End Target for 2025/26	98.1%

Year End Target	Year End Actual	Prior Year Actual
98.1%	97.24%	98.1%

Collection has out turned 0.86% behind last year's performance. We have identified a number of large accounts where balances were created towards the end of the financial year and were unpaid. We will continue to pursue these debts.

**9.5 Sales Ledger (£106.6m)**

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

The target percent is set relating cumulative debt outstanding from all years to the current annual debit. The targets and performance of income collection for 2025/26 are as follows:

Age of debt	Annual Target	March 2026	
		£m	%
Total	6.0%	£9.771	9.34%

Sales ledger is outside of target although can tend to fluctuate from one month to the next. There is a large balance outstanding with the ICB which we are seeking to recover.

**10.0 Alternative Options**

10.1 Budget holders will have investigated a number of options to seek to deliver required service outcomes from within available resources during the year. Decisions made by the Chief Financial Officer and Senior Management Team as part of the closure of accounts process aim to safeguard the Council's financial position in 2026/27 and optimise the Council's position in terms of financial sustainability and resilience.

**11.0 Key Risks**

11.1 Budget holders actively manage their budgets and the many financial risks and challenges that council services face, examples include the risk of a particularly

harsh winter which would impact adversely on the winter gritting and adult social care budgets, the increasing dependency on income from a wide range of activities and the risk of interest rate movements and further inflationary pressures, the risk of changes in legislative or accounting requirements impacting on budgets etc. The Council has comprehensive risk management arrangements in place, which are reviewed and updated by the Senior Management Team. It is considered that there is an adequate level of reserves and provisions set aside to cover anticipated risks.

## **12.0 Council Priorities**

12.1 Delivery of all Council priorities depends on the effective use of available resources. Strong and effective financial management ensures the best use of resources.

## **13.0 Financial Implications**

13.1 The financial impacts are detailed throughout the report.

## **14.0 Legal and HR Implications**

14.1 The Council's s151 Officer has a statutory duty to monitor income and expenditure and to take action if overspends/shortfalls emerge.

The Statutory deadlines for publishing the audited accounts for the financial years 2024/25 to 2027/28 were amended in 2024 to help address the national back-log of local authority audits. The backstop date for publishing the 2025/26 Statement of Accounts is 31 January 2027; KPMG will begin their audit work in July and it is expected to be complete well before this deadline. Audit Committee has delegated authority to approve the SOA and updates will be provided to the Committee as appropriate.

## **15.0 Ward Implications**

15.1 Funds have been set aside as part of financial outturn towards an additional Community Action Team in the Brookside Ward. There are no specific impacts on any other wards.

## **16.0 Health, Social and Economic Implications**

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

## **17.0 Equality and Diversity Implications**

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

## **18.0 Climate Change, Biodiversity and Environmental Implications**

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

## 19.0 Background Papers

1	Medium Term Financial Strategy 2025/26 to 2028/29	Council 27/02/2025
2	2025/26 Financial Monitoring Report	Cabinet 17/07/2025
		Council 17/07/2025
3	2025/26 Financial Monitoring Report	Cabinet 06/11/2025
		Council 13/11/2025
4	2025/26 Financial Monitoring Report	Cabinet 06/01/2026
		Council 22/01/2026
5	Medium Term Financial Strategy 2026/27 to 2029/30	Council 26/02/2026

## 20.0 Appendices

Appendix A	Summary Revenue Outturn
Appendix B	Detailed Revenue Outturn
Appendix C	Virements
Appendix D	Capital Approvals
Appendix E	Reserves

## 21.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Director	30/04/2026	07/05/2026	MLB
Finance	30/04/2026	07/05/2026	ER
Legal	30/04/2026	05/05/2026	RP