

APPENDIX A

<u>2026/27 Revenue Budget Variations</u>		
Service Area	Budget	Total Current Variation
	£	£
Finance, People & IDT	22,279,116	(29,778)
Policy & Governance	1,151,275	(76,296)
Adult Social Care	95,985,060	696,150
Housing, Commercial & Customer Services	5,820,910	(100,000)
Children's Safeguarding & Family Support	51,229,218	3,104,804
Education & Skills	14,012,649	925,835
Health & Wellbeing	423,159	41,938
Neighbourhood & Enforcement Services	35,153,010	(47,133)
Prosperity & Investment	(2,787,849)	963,777
Council Wide	(9,602,258)	(1,529,572)
Total	213,664,290	3,949,726

2026/27 Revenue Budget Variations				
Description		Budget	Total Variation	Comments
		£	£	
Finance, People & IDT				
Treasury		19,871,870	0	Currently no variations reported.
IDT	Supplies & Services	3,027,968	(79,749)	Savings on computer software and telecoms and projections reduced for AI Development.
Finance	Employees	2,906,280	(91,357)	Temporary vacancies in structure
HR	Income	(1,470,255)	(71,117)	Projected increase in income across various items including AVC scheme.
Variations under £50k		(2,056,746)	212,446	
Total Finance, People & IDT		22,279,116	(29,778)	
Policy & Governance				
Insurance	Supplies & Services	826,180	(263,011)	Reduced costs following the insurance re-tender
Legal	Income	(630,982)	121,526	Based on 25/26 levels
Legal	Employees	1,306,270	75,466	Use of agency staff
Organisational Delivery & Planning	Contribution from reserves	(41,874)	(123,661)	Funding armed forces post and income shortfall.
Variations under £50k		(308,319)	113,384	
Total Policy & Governance		1,151,275	(76,296)	
Adult Social Care				
All long term care purchasing-Spot & block for all ages and short-term enablement care	Spot & block purchasing	123,781,563	1,886,623	The projected overspend on care purchasing is made up of 3 elements: fee increases above those assumed in the 26/27 budget model, a new block contract for high needs extra care that was put in place after the budget model was finalised (offset by savings from the ending of another block contract), and a small projected overspend on the enablement budget. The costs associated with increased demand is currently within the growth built into the 26/27 budget, however this will be monitored closely as this has historically been volatile.
Health funding contributions-all ages and care types	Joint Funding	(6,486,218)	0	A continued forecast that the budget will be achieved. This means we will need to recharge a £600k more than in 25/26.
Income	Client Contributions	(17,009,303)	(899,644)	Based on the assessments on the system the projection for 26/27 would suggest we should receive more than the budgeted client contributions amount
Income	Direct Payment clawbacks	(560,000)	(55,000)	Refers to the over-achievement to cover additional team costs
My Options	Trading Accounts	59,778	52,796	
Service Wide	Operational expenditure	9,428,796	(314,351)	Estimated underspends against operational expenditure
Variations under £50k		(13,229,556)	25,726	
Total Adult Social Care		95,985,060	696,150	

2026/27 Revenue Budget Variations				
Description		Budget	Total Variation	Comments
		£	£	
Housing, Commercial & Customer Services				
HCC	Employees	(278,940)	138,273	The shortfall against the vacancy factor budget here will be offset from the underspends due to vacancies recognised within the various service areas throughout the year.
Private Sector Housing	Employees	1,296,070	(79,896)	Underspend reflects a number of vacancies within the service
Rationalisation of reserves and grant			(100,000)	Review of grant usage and one off funding
Variations under £50k		4,803,780	(58,377)	
Total Housing, Commercial & Customer Services		5,820,910	(100,000)	
Children's Safeguarding & Family Support				
Children in Care, Leaving Care Team & Speciality Services, Family Solutions	Cin Care Placements, Post 18 Staying Put & Leaving Care Support	36,053,010	2,359,674	The overall number of Children in Care (CiC) has remained relatively consistent since April, with 417 children in care at the end of August (including 29 UASC). However, the number of children in residential placements has increased to 53 compared to 46 at the same point in 2025. This reflects ongoing challenges in securing sufficient foster placements, particularly for teenage boys. The increase in residential placement numbers, together with inflationary pressures, continues to outweigh the savings achieved through prevention and early intervention initiatives and the ongoing review of placement costs as part of the VCare model despite continued delivery of savings. National publication 'Children's Pathways into and out of Care concludes that numbers in care are stable but caring arrangement patterns are shifting Foster care reduced from 71% to 67% of all placements whereas residential and supported accommodation increased by almost 50% equating for 21% of placements.
Fostering Adoption & Permanence	Health Funding	(8,426,750)	(304,914)	Income based on Q1 actuals plus detailed projection by child for remainder of year, based on projected placement costs. Ongoing risk of funding being cut by ICB.
	UASC Placements	30,740	65,639	Projected shortfall in grant income due to placement costs higher than grant received.
	Adoption Support	1,230,410	(338,888)	Reduction in T&W contribution to Together4Children (T4C) regional adoption agency. Financial formula for T4C and contribution to the STW Local Hub is actively reviewed on an annual basis and % split agreed in accordance with demand for adoption services. Also reduction in use of Voluntary Adoption Agencies (external agencies). Outside of the 4 LAs within T4C. Risk that spend could increase here should we need to place children for adoption outside of T4C based on additional needs.
Service Wide	Staffing Expenditure	21,954,818	136,758	Pressure relates to the vacancy factor savings target. Agency use remains low and targeted, which limits the ability to generate vacancy savings without affecting substantive staffing capacity and safe service delivery.
	Operational Expenditure	6,359,239	369,870	Combination of operational expenditure, commissioned services, workforce and travel costs and other non-placement budget pressures that contribute to the overall forecast position.
	Income	(7,441,449)	(160,512)	Additional grant funding above budgeted allocations.
	Fieldwork - Out of Hours	(130,800)	230,019	Historic pressure of corporate out of hours team, sitting within Children's Safeguarding but supporting services across the authority.
	Legal Services	283,960	916,477	Increase in demand on both internal and external legal support due to increased number of children in care leading to increase in number of care orders, supervision order, interim care orders and emergency protection orders.
	Homelessness	640,870	185,597	Cost of providing accommodation for families of children deemed to have made themselves intentionally homeless.
	Grant Funding	0	(190,750)	FFPP funding is being applied to eligible Family Help and Section 17 activity, thereby reducing pressure on the base Section 17 budget and creating financial capacity to absorb additional homelessness costs.
	CWD Equipment & Adaptations	194,700	(144,700)	Ongoing review of pathways and processes relating to adaptations ensuring VFM and effective and proportionate use of DFG and any top-up funding.
	Section 17	178,610	0	
Variations under £50k		301,860	(19,466)	
Total Children's Safeguarding & Family Support		51,229,218	3,104,804	

2026/27 Revenue Budget Variations				
Description		Budget	Total Variation	Comments
		£	£	
Education & Skills				
School & Post 16 Transport		4,086,793	97,433	Pressure against transport costs
Arthog		186,213	62,263	Budgeted income shortfall
Traded Advisory Services		67,238	57,736	Shortfall in Traded Advisory Services income against budget
Specialist Services		1,033,723	233,918	Overspend in supporting families through the legal pathway of statutory assessment
Premature Retirement costs		1,121,024	295,701	This policy ceased some years ago however, the local authority remains responsible for any historic pension costs and additional costs are due to inflationary pressures. £300k growth built into corporate model from 27/28
Variations Under £50k		7,517,658	178,785	Vacancy factor - £142k plus £75k across access & sufficiency (£35K of which is income shortfall against traded income - school governance), partly offset by small underspends across service
Total Education & Skills		14,012,649	925,835	
Health & Wellbeing				
Public Health Grant	Supplies & Services	(35,410)	(79,660)	Variation against Public Health Spend
Public Health	Underspend/(Overspend) to/(from) Reserve		79,660	Ring-fenced Public Health grant transferred to/(from) Public Health reserve
Variations under £50K		458,569	41,938	Variation against General Fund Spend
Total Health & Wellbeing		423,159	41,938	
Neighbourhood & Enforcement Services				
Enforcement	Car Parking	(466,080)	147,670	Shortfall against budgeted income from car parking
	Enforcement Control	(45,440)	58,630	Shortfall against budgeted income
Strategic Transport & Highway Network Management	Town Park Maintenance	643,680	65,989	Additional Running Costs Telford Town Park
Highways, Engineering & Project Delivery		0	(200,000)	Review of grant usage and one off funding
Variations Under £50k		35,020,850	(119,422)	
Total Neighbourhood & Enforcement Services		35,153,010	(47,133)	

2026/27 Revenue Budget Variations				
Description		Budget	Total Variation	Comments
		£	£	
Prosperity & Investment				
Regeneration & Investment	PIP- Income	(11,513,860)	735,212	Shortfall in income reflects the projected impact of a number of void properties
	PIP Supplies & services	359,190	228,378	Overspend relates to property costs relating to landlord responsibilities and void properties
	Wellington Market	35,620	267,529	Ongoing support to traders throughout the refurbishment of Wellington Market resulting in a reduced rental income
BiT	Income	(3,723,660)	228,632	Income projections can fluctuate based on the progression of projects but early indications are that there may be a shortfall by year end.
	Premises Costs	6,540,857	(363,220)	Underspend reflects projections against utilities and other premises costs across Admin & Operational Buildings. This also includes some expectation of one off benefit from NNDR rebates
Variations under £50k		5,514,004	(132,754)	
Total Prosperity & Investment		(2,787,849)	963,777	
Corporate				
Purchase Rebates		(400,000)	(168,072)	Additional West Mercia Energy Rebate
Council Wide			(1,238,000)	Various council wide underspends including lower than budgeted costs relating to inflation and contingencies
Variations under £50K		(9,202,258)	(123,500)	
Total Corporate		(9,602,258)	(1,529,572)	
Total		213,664,290	3,949,726	

APPENDIX C

Capital Approvals - by Service Area

Virements

Scheme	Service Area	Funding Source	2026/27 £	2027/28 £	2028/29 £	2029/30 £	Later Years £
Highways & Bridges Capital Maintenance	Neighbourhood & Enforcement Services	Grant	(40,000)				
Rights of Way	Prosperity & Investment	Grant	40,000				
Service & Financial Approved Schemes	Neighbourhood & Enforcement Services	Prudential	(25,000)				
Local Regeneration Fund	Prosperity & Investment	Prudential	25,000				
Capital investment Fund	Corporate Items	Prudential		(500,000)			
Local Regeneration Fund	Prosperity & Investment	Prudential	500,000				
Virements - Total			500,000	(500,000)	0	0	0

Slippage

Scheme	Service Area	Funding Source	2026/27 £	2027/28 £	2028/29 £	2029/30 £	Later Years £
Integrated Community Schemes	Adult Social Care	Prudential	(60,430)	60,430			
Managing the Funding of the Capital Programme	Corporate items	Capital Receipts	1,137,861	(2,508,861)	1,371,000		
Managing the Funding of the Capital Programme	Corporate items	Prudential	(1,137,861)	2,508,861	(1,371,000)		
All Other School Schemes	Education & Skills	Grant	(9,211,071)	9,211,071	0		
Affordable Housing Programme	Housing Commercial & Customer Services	Prudential	(2,100,000)	2,100,000			
Climate Change	Housing Commercial & Customer Services	Prudential	(612,473)	612,473			
Housing	Housing Commercial & Customer Services	Capital Receipts	(101,861)	101,861			
Swimming Pool in the Dawley Area	Housing Commercial & Customer Services	Prudential	3,017,569	(3,017,569)			
Housing Company - Housing	Prosperity & Investment	Prudential	(10,280,339)	(6,882,143)	17,162,482		
Local Regeneration Fund	Prosperity & Investment	Prudential	(9,946,832)	9,946,832			
Local Regeneration Fund	Prosperity & Investment	Grant	(4,048,000)	4,048,000			
Local Regeneration Fund	Prosperity & Investment	External	(226,317)	226,317			
Property Investment Portfolio	Prosperity & Investment	Capital Receipts	(1,607,000)	1,607,000			
Property Investment Portfolio	Prosperity & Investment	Prudential	(5,152,576)	5,152,576			
Property Investment Portfolio	Prosperity & Investment	External	(1,321,424)	1,321,424			
Playing Pitch Investment	Prosperity & Investment	Prudential	(600,000)	600,000			
Levelling Up Fund	Prosperity & Investment	Grant	(2,249,447)	2,249,447			
Levelling Up Fund	Prosperity & Investment	Prudential	(250,000)	250,000			
Property Investment Portfolio	Prosperity & Investment	Capital Receipts	500,000	(500,000)			
Legal Fees	Policy and Governance	Prudential	(44,518)	44,518			
Integrated Transport	Neighbourhood & Enforcement Services	Prudential	(139,809)	139,809			
Safer Routes to Schools	Neighbourhood & Enforcement Services	Prudential	(65,176)	65,176			
Service & Financial Approved Schemes	Neighbourhood & Enforcement Services	Prudential	(100,000)	100,000			
Highways & Bridges Capital Maintenance	Neighbourhood & Enforcement Services	Prudential	200,000	(200,000)			
Managing the Funding of the Capital Programme	Corporate items	Capital Receipts	(500,000)	1,358,805	(858,805)		
Managing the Funding of the Capital Programme	Corporate items	Prudential	500,000	(1,358,805)	858,805		
Towns Fund	Prosperity & Investment	Prudential	(500,000)	500,000			
Property Investment Portfolio	Prosperity & Investment	Prudential		(9,614,104)	9,614,104		
Property Investment Portfolio	Prosperity & Investment	Capital Receipts		(858,805)	858,805		
Pride in Your Place Programme	Prosperity & Investment	Prudential	(1,000,000)	1,000,000			
Local Electric Vehicle Infrastructure	Neighbourhood & Enforcement Services	Grant	(510,000)	(510,000)	510,000	204,000	306,000
Slippage - Total			(46,409,703)	17,754,312	28,145,391	204,000	306,000

New Allocation

Scheme	Service Area	Funding Source	2026/27 £	2027/28 £	2028/29 £	2029/30 £	Later Years £
Efficiency Schemes Capitalisation	Corporate items	Capital Receipts			(471,000)		
All Other School Schemes	Education & Skills	Grant	(50,160)	50,160			
Culture	Housing Commercial & Customer Services	Revenue	(55,000)				
Culture	Housing Commercial & Customer Services	Prudential	55,000				
Culture	Housing Commercial & Customer Services	Grant	68,000				
Housing Investment in Sutton Hill and Madeley	Housing Commercial & Customer Services	Prudential		2,000,000			
Highways & Bridges Capital Maintenance	Neighbourhood & Enforcement Services	External	235,492				
Integrated Transport	Neighbourhood & Enforcement Services	External	9,320				
Local Regeneration Fund	Prosperity & Investment	Capital Receipts	353,324				
Playing Pitch Investment	Prosperity & Investment	External	(28,778)				
Site Preparation	Prosperity & Investment	Capital Receipts	(379,000)				
Playing Pitch Investment	Prosperity & Investment	Grant	904,231				
Integrated Transport	Neighbourhood & Enforcement Services	External	79,905				
Levelling Up Fund - Addenbrooke	Prosperity & Investment	Capital Receipts	7,319				
New Allocations - Total			1,199,653	2,050,160	(471,000)	0	0

Capital Allocation - Total			(44,710,050)	19,304,472	27,674,391	204,000	306,000
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2026/27 Treasury Management & Prudential Indicators

Overall Treasury Portfolio at 31 August 2026 - £m

	2026/27 Original Estimate	2026/27 Latest Estimate	2027/28 Latest Estimate	2028/29 Latest Estimate
Gross Borrowing (at end of the year)	565.7	539.9	612.3	663.8
Investments (at the end of the year)	15.0	15.0	15.0	15.0
Net Borrowing	550.7	524.9	597.3	648.8

Capital Expenditure & Commitments - £m

This indicator shows actual capital expenditure for the previous year and planned capital expenditure for 3 years.
The table below reflects approvals throughtought the year at Full Council, including those proposed in this report

Capital Expenditure/Funding	2026/27	2027/28	2028/29	
Grant Funded	43.91	55.14	23.49	
Prudential Borrowing	55.49	73.58	52.25	
Capital Receipts	20.85	10.54	6.90	
Revenue / External	1.12	1.45	-	
Total	121.38	140.71	82.63	
Capital Financing Requirment (CFR) (Loans)	681.19	750.64	798.37	✓Gross borrowing above is below the CFR

Authorised Limit and Operational Boundary (Debt)

The Authorised Limit for borrowing is the maximum amount the Council may borrow at any point in the year. The Operational Boundanry is the maximum amount that the Council would normally borrow at any time during the year.

	2026/27	2026/27	2027/28	
Authorised Limit for borrowing - indicator set	780.0	840.0	860.0	✓CFR (above) is below both the Authorised Limit and the Operational Boundary
Operational Boundary for external debt - indicator set	760.0	820.0	840.0	

Security

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

Credit Risk Indicator	Target	Actual - 31/08/2026	
Portfolio average credit score	6 or lower (which is equivalent to a credit rating of A or higher)	1.74	✓ The Average credit score for investments is within the target set

Maturity Structure

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	Lower Limit	Upper Limit	Actual - 31/08/2026	Within Limit
Up to 1 year	0%	70%	38.2%	✓
1 year to 2 years	0%	30%	19.6%	✓
2 years to 5 years	0%	50%	9.4%	✓
5 years to 10 years	0%	75%	9.8%	✓
10 years to 20 years	0%	75%	1.4%	✓
20 years to 30 years	0%	75%	2.9%	✓
30 years to 40 years	0%	100%	4.3%	✓
40 years to 50 years	0%	100%	10.3%	✓
Over 50 years	0%	100%	4.1%	✓

Principal sums invested for periods longer than one year

Limit on principal invested longer than 364 days	2026/27	2027/28	2028/29	
Indicator Set	95%	95%	95%	✓currently 0% invested beyond 1 year
Actual at 30/06/2026	0%	0%	0%	

Ratio Affordability Measure

Ratio of finance cost to net revenue stream (%)	2026/27	2027/28	2028/29	
Indicator Set	7.64%	8.14%	7.96%	✓Financing cost to net revenue stream is inline with that budgeted
Current projection	7.64%	8.14%	7.06%	

