Telford & Wrekin Council

Audited Statement of Accounts

2025/26

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Telford & Wrekin Council

Unaudited Statement of Accounts

2025/26

Financial Statements

Narrative Report

The Narrative Report provides a summary of the Council's performance for 2025/26 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
- Introduction
- Background Information
- The Council's Service & Financial Planning Cycle
- An Overview of the Budget 2025/26
- Workforce Analysis

B. Governance & Transparency
C. Operational Model
D. Risks and Opportunities
E. Performance
- Revenue Outturn for 2025/26
- Service Issues Highlighted during 2025/26
- IAS Note 19 – Retirement Benefits
- Capital Outturn 2025/26
- Provisions
- Achievements & Measures of Success during 2025/26

F. Strategic Outlook
G. Economic Conditions
H. Looking Ahead
I. Basis of Preparation
J. Statement of Accounts – Explanatory Overview
K. Further Information

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
Council Vision	Telford & Wrekin Council | Vision 2032

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 2026

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

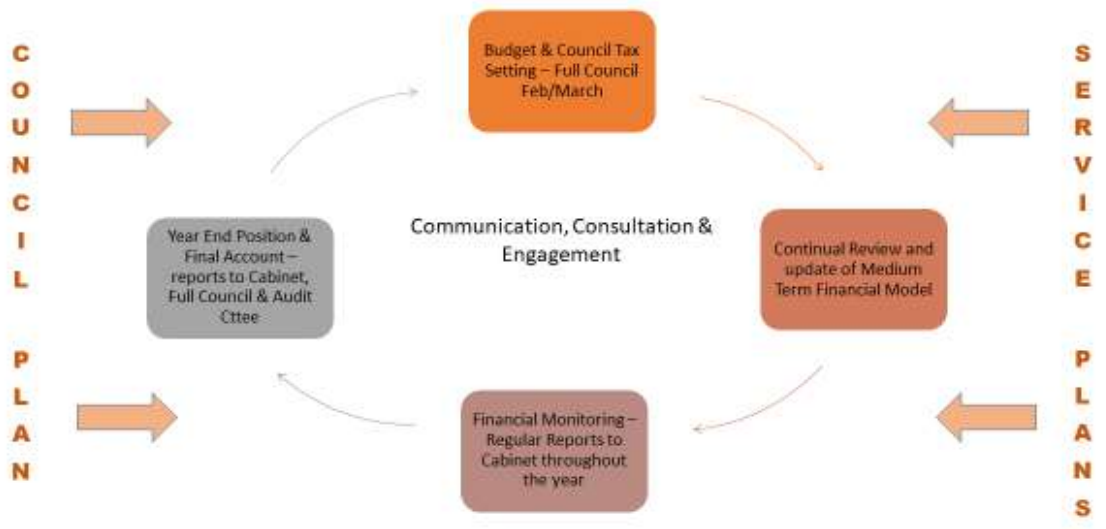
The Borough has a diverse manufacturing sector, a flourishing tourism sector and research and development facilities. There is a strong focus on manufacturing with other important sectors being advanced engineering, food and drink, construction, education and retail.

An estimated 91,000 people were employed in the Borough at the end of 2025.

There were 7,130 business units, in VAT and/or PAYE based enterprises in the Borough in 2025, an increase from 7,075 in 2024.

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 £500m 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 2025/26

The Council has a rolling Medium-Term Financial planning process. This 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.

The decisions on the medium-term budget strategy at Full Council reflected the outcome of consultation following publication of the budget proposals 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. Overall, the settlement saw Revenue Support Grant increasing by 1.7% (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 £181.7m of savings since 2009/10 further savings of £13.1m were 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 was:

- An additional savings package delivering an additional £13.1m in savings / additional income from general fund budgets
- £7.7m net investment into Adult Social Care in 2025/26
- 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 2025/26, 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 2025/26 (Band B) was £1,255.09 per year (Band B is the typical band for Telford & Wrekin, Band D is £1,613.69). The Council had the lowest Council Tax out of all Councils areas in the Midlands region for the services which we provide.

2025/26 Budgeted Net Revenue Spend		
2025/26 Total Net Revenue Spend	**£m 167.640**	**%**
Funded From:		
Revenue Support Grant	12.689	7.6%
Retained Business Rates, Section 31 Grant & Top Up Grant	58.443	34.8%
Council Tax	93.859	56.0%
Collection Fund	2.649	1.6%
Total Funding	**167.640**	**100.0%**

5. Workforce Analysis

	31 March 2025		31 March 2026	
	Head count	**FTE**	**Head count**	**FTE**
Total	**2,816**	**2,188.6**	**2,832**	**2,233.7**

Workforce Information	Telford & Wrekin Council | Workforce information

B. GOVERNANCE & TRANSPARENCY

The 2025/26 Annual Governance Statement is included within the Statement of Accounts – see page 31. 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 2025/26, 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 2,800 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 and developing 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 2025/26 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 Telford & Wrekin Council | Child sexual exploitation (CSE). 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 Telford & Wrekin Council | Independent Inquiry into Telford Child Sexual Exploitation (IITCSE).

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 2025/26 – Full Council 27 February 2025 Appendix 14 Agenda item - Medium Term Financial Strategy 2025/26 to 2028/29 - Telford & Wrekin Council

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 My Telford App

E. PERFORMANCE

The core elements of the Council's corporate planning framework in place during 2025/26 were:

- **Council Plan** – 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 (2025/26 – 2028/29)	Budget 2025/26 – Full Council 27 February 2025 Agenda item - Medium Term Financial Strategy 2025/26 to 2028/29 - Telford & Wrekin Council

1. Revenue Outturn for 2025/26

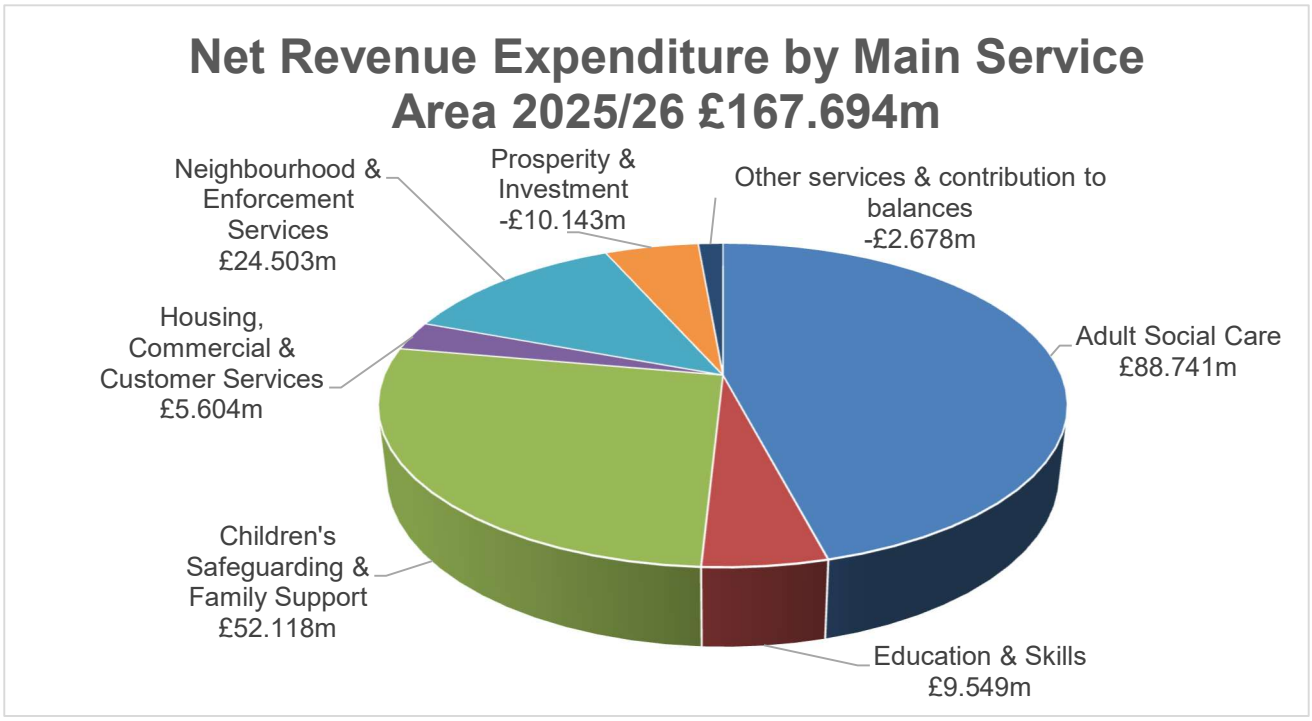
A summary of the year end service variances reported to Cabinet is shown in the table below:

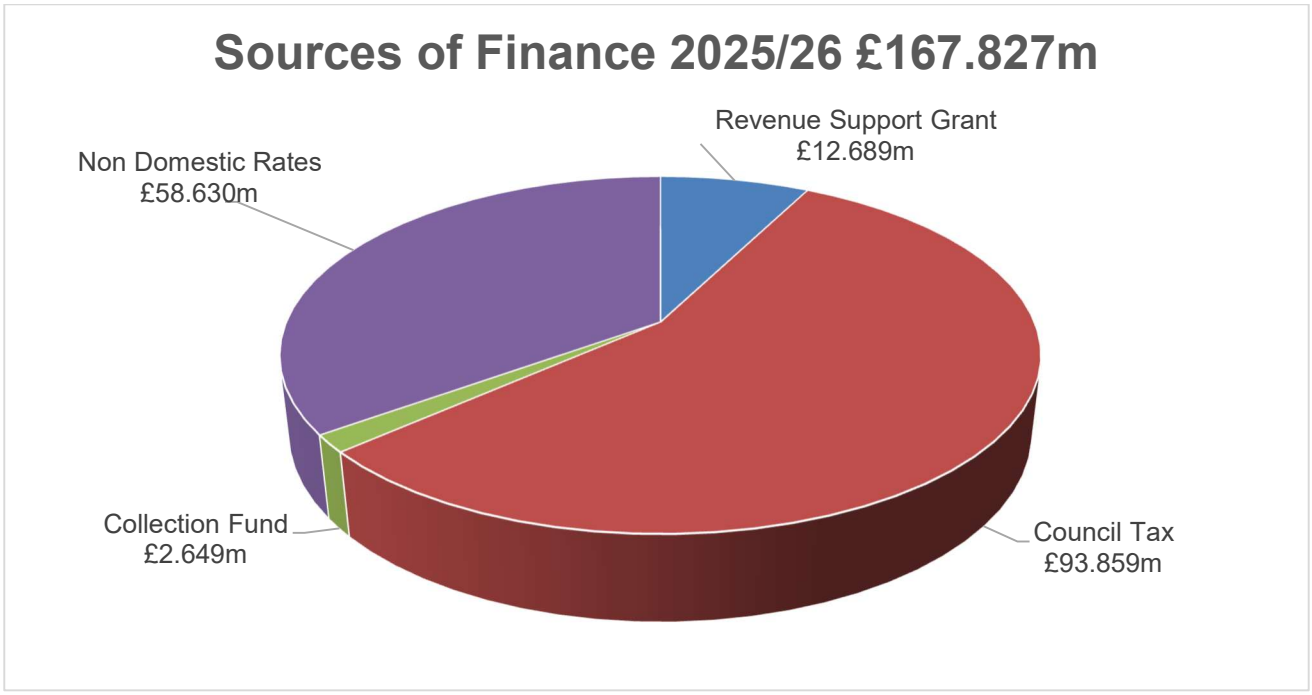
	Final Budget £	Outturn £	Variation £
Finance, People & IDT	14,282,775	14,399,966	117,191
Policy & Governance	1,237,888	1,304,856	66,968
Adult Social Care	81,958,675	88,740,714	6,782,039
Housing, Commercial & Customer Services	5,921,716	5,603,904	(317,812)
Children's Safeguarding & Family Support	49,312,041	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 Items	(7,391,407)	(18,820,798)	(11,429,391)
	167,639,680	**167,694,116**	**54,436**
Funding	**(167,639,680)**	**(167,827,157)**	**(187,477)**
Total	**0**	**(133,041)**	**(133,041)**

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 £4.126m and a special fund balance of £0.451m, giving an overall balance of £4.577m. The total for all useable reserve balances held by the Authority at 31 March 2026 is £110.298m, although almost all of this is held to meet known or likely commitments.

The following two charts show Net Revenue Spend by Service for 2025/26 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)	**584,429**	**416,868**	**167,561**
Trading Services / Industrial Units	3,478	(4,116)	7,594
Pensions Adjustments under IAS 19	(7,385)	0	(7,385)
Interest Payable and Similar Charges	(22,237)	0	(22,237)
Interest and Investment Income	0	(5,570)	5,570
Gains and Losses on Repurchase or Early Settlement of Borrowings (net)	(217)	0	(217)
Sources of funding unapplied	0	(196)	196
Depreciation & Impairments, REFCUS etc. from Net Operating Cost	61,476	0	61,476
Accumulated Absences	318	0	318
Minimum Revenue Provision	(8,946)	0	(8,946)
Net Movement on Reserves	15,331	0	15,331
Net Cost of Services (see Comprehensive Income and Expenditure Statement on page 62)	**626,247**	**406,986**	**219,261**

2. Service Issues Highlighted During 2025/26

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 higher than budgeted interest rates during the year	+0.270
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	+9.123
Income – overall benefit on income targets	(1.432)
My Options – Adults & Children's Services – pressure on staffing budgets to meet demand	+0.266
Operational efficiencies – variations arising from vacancies, various working patterns and other operating expenditure	(1.256)

Service Area	Variance £m
Housing, Commercial & Customer Services	
Solar Farm – additional costs associated with break in plus transfer to reserves of compensation payment received towards rectification works	+0.863
Housing Strategy – utilisation of HPG Fund	(0.303)
Affordable Housing – income target shortfall linked to the delivery of housing schemes	+0.268
Homelessness Prevention – maximisation in the use of grant funding	(0.623)
Service wide pressures – including budgeted vacancy factors which are delivered through services areas and pressures on savings that have not been delivered	+0.281
Children's Safeguarding & Family Support	
Children in Care, Leaving Care Team & Speciality Services, Family Solutions:	
CIC Placement, Post 16 Staying Put & Leaving Care Support – 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	+4.380
Health Funding – anticipated health contributions in relation to health needs are greater than budgeted, impacted by increased overall placement costs	(1.889)
Income – increase in actual grant income received and use of specific reserve to offset placement costs	(0.367)
Operational expenditure & Income – 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	+0.580
Education & Skills	
School & Post 16 Transport – expenditure previously funded by Dedicated Schools Grant	+0.695
Employee costs – additional costs due to inflationary pressures relating to historic staffing costs	+0.296
Skills – shortfall in income targets	+0.423
Neighbourhood & Enforcement Services	
Severe Weather & Winter Maintenance – increased pressures due to bad weather	+0.317
Prosperity & Investment	
Operational Buildings – one off underspends, including NDR rebates, due closures from developments at Leisure sites and The Place.	(0.711)
Property Investment Portfolio – income pressure due to phasing of Growth Fund capital expenditure, offset by approved one-off use of reserves	+0.531
HCA Land Deal – budgeted use of reserve not utilised	+1.011
Council Wide	
Budgeted Contingency	(7.200)

Service Area	Variance £m
Other Council Wide items – 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)
Transfers to Reserves – see Appendix E	+2.803

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 £26.9m over 2025/26, from a surplus of £97.0m to a £123.9m. 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) and a deficit of £4.6m 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 £13.452m. Following the valuation at 31st March 2026 the contribution rate was reduced to 12.2% for 2026/27 (and the subsequent 2 years).

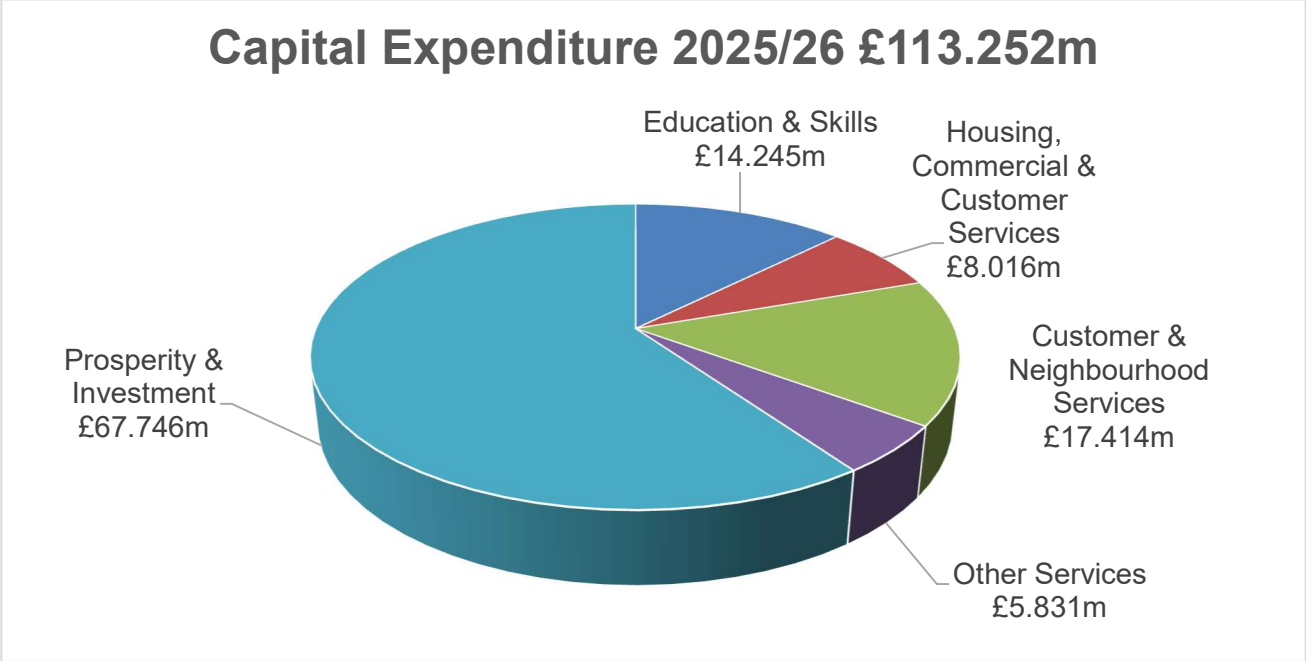
4. Capital Outturn 2025/26

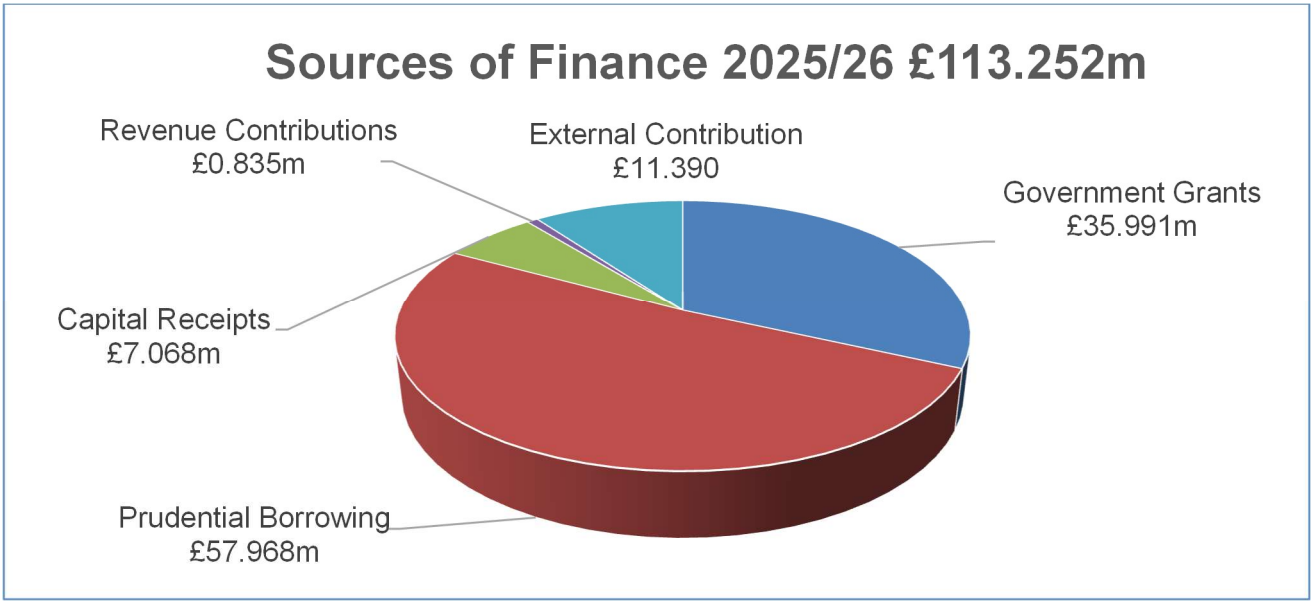
The Council spent £113.252m on capital projects during the year against an approved budget of £124.32m. Re-phasing of expenditure into 2026/27 will take place as a result of extensions to and re-profiling of construction programmes. All schemes which have been rephrased are already in progress. The detail is shown in the table below:

Policy Area	2025/26 Approved Budget £m	2025/26 Expenditure £m
Housing, Customer & Commercial Services	9.660	8.016
Education & Skills	18.060	14.245
Neighbourhood & Enforcement Services	19.310	17.414
Prosperity & Investment	69.790	67.746
Other Services	7.500	5.831
Total	**124.320**	**113.252**
Funded by:		
Government Grants	49.780	35.991
Prudential Borrowing	63.270	57.968

Policy Area	2025/26 Approved Budget £m	2025/26 Expenditure £m
Capital Receipts	6.880	7.068
Revenue	0.840	0.835
Other External Sources	3.550	11.390
Total	**124.320**	**113.252**

The following two charts show Capital Spend by Service for 2025/26 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 at 31 March 2026 was £439.6m (inclusive of equity investments) which is an increase of £54.1m from the previous year. This was due to an increase in borrowing in line with the approved Capital Programme (see Note 22) offset by a small increase in investments held arising from favourable cashflows (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 2025/26 the Authority made payments of £12,680,380 (£12,431,116 in 2024/25) 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 2025/26 includes expenditure relating to this deal.

5. Provisions (see Note 26)

Restructure Provision – the restructure provision for 2025/26 is nil as there were no committed severance costs identified at 31 March 2026.

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, £6.694m is estimated as the amount required to set aside for this purpose in the 2025/26 accounts (£4.332m in 2024/25). Telford & Wrekin Council's proportion of this is £3.280m (49%) (£2.123m in 2024/25).

6. Achievements & Measures of Success During 2025/26

Through 2025/26 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 introduced 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 88% of primaries, 54% 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 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 KC'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' last year – placing us among top performers for our innovative approaches to delivering adult social care which is helping improve waiting lists. 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"*.

During 2025/26 we surveyed people who use care and support services and their carers and saw improvements in the levels of satisfaction they report with social care services.

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 run their own high street events to enhance local high street footfall

Since the initiative was launched in 2018, the Council has award **74** business start up grants worth **£665,000** as well as **58** trial start-up grants worth **£126,500** and start-up businesses have created **441** jobs locally.

Start-up grants help businesses to establish permanent bases on the high street in empty units while start-up trial grants provide an opportunity to test themselves on the high street first, open as pop-up market stalls.

There are also a range of other grants available including a façade grant, an eco-grant, a digital grant and a new diversification grant which was launched in November 2025.

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 15% and reductions in ASB reported to both the Police by 50% and the Council by nearly 30%.

We have helped almost 600 residents tackle poor housing conditions in the last year (up 30%) and housed 465 rough sleepers. We have below average levels of people in temporary accommodation and high performance on preventing and relieving homelessness.

We're helping more people of all ages to live independently for longer via investment funded by Disabled Facilities Grants (DFGs) and through our innovative housing commissioning service.

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 80% 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 2023/2024 our published household recycling rate was 49.2% which is well above the England average.

The Veolia waste team engaged with over 3,000 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.

We organise monthly 'reuse pop-up events' run in partnership with the Council's waste management contractor that are extending the life of preloved household items, supporting local charities and low-income families, diverting waste from landfill and generating over £110,000 a year in social value. The initiative was shortlisted for the LGC Environmental Services Award in 2025.

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 14.9% in the ten years to 2024. 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%.

Fibre broadband infrastructure is key to the economic growth of the borough and underpins the benefits that digital connectivity brings. 99% 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. Underpinned by our Invest Telford business support offer, it has delivered 2.25 million ft2 of employment space, over 1600 homes, more than 2500 jobs and attracted over £1billion of investment.

Organisation

By the end of 2025/26, the Council had delivered budget savings of £195.3m. 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 October 2025, a Local Government Association Corporate Peer Review was completed into the Council. The team concluded that:

> *"Telford & Wrekin Council is a confident, high-performing authority with a strong track record of delivery, civic pride, and innovation. The council's leadership is widely recognised for its approachability, ambition, and commitment to "brilliant basics." Staff are proud to work for the council, and there is a clear sense of shared purpose across the organisation and its partners. This collective ethos - often described as "Team Telford" - was evident throughout the Corporate Peer Challenge (CPC)"; and*
>
> *"The Council's achievements have been nationally recognised, including winning the LGC Council of the Year award in 2025. This accolade reflects the strength of leadership, the quality-of-service delivery, and the deep civic pride that permeates the organisation".*

They also said:

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 £0.8m net income per year.
- 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.
- 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 **West Midlands Combined Authority** and are actively working to maximise future opportunities for the Borough to build on the £3.7m grant already secured from the WMCA. This grant will kick-start the building of new homes on stalled brownfield sites, with around 540 new homes due to be built, while bringing derelict land back into use and creating 240 jobs.

We have successfully driven this agenda, including £18.79m capital funding through the Marches Local Enterprise Partnership Local Growth Fund, £20m Levelling Up Funding to deliver our Broadening Aspirations through Education and Culture Programme, £22.3m Town's Fund, £9.8m capital regeneration fund and £1.37m decarbonisation fund.

Through this funding, the Council has been able to progress its plans for construction of "Station Quarter" – which has delivered significant and measurable outcomes across education, housing, and placemaking. 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.

Station Quarter has delivered:

- The Quad, a 4,500 sqm digital and technical skills hub, opened in September 2024. In its first year, The Quad supported over **300 students**, with capacity for continued growth as course provision expands. The Quad, alongside the refurbished Addenbrooke House Sixth Form Centre, is bringing further and higher education into the town centre for the first time, improving accessibility and helping to retain local talent, aligning skills provision more closely with regional employment needs.
- Residential delivery has been catalysed through Denmark House, an 84-unit apartment scheme completed in May 2026. This market-leading development establishes a new benchmark for town centre living and plays a critical role in diversifying Telford's housing offer. Early demand has been strong, with **over 50 prospective tenants registered ahead of launch**, demonstrating confidence in both the scheme and location.
- The wider project has unlocked **£112 million of investment** and brought over **10,000 sqm of underutilised space back into productive use**, transforming a previously neglected area into a vibrant destination. These interventions are increasing footfall, supporting local businesses, and creating a safer, more active town centre environment.

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 formally updated for 2026/27 by reports to the Council's Cabinet in January and February 2026 with final decisions taken at Full Council on 26 February 2026.

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 2026.

On 11 June 2025 the Chancellor announced the Spending Review which reaffirmed the Government's commitment to multi-year allocations and moving to a more up-to-date assessment of each council's needs and resources as part of the 2026/27 Local Government Finance Settlement. The new system will include a long overdue updated assessment of relative needs and resources, a reset of the Business Rates Retention Scheme. The

settlement will include transitional measures to smooth the impact of changes over the three-year period. The reform of Local Government funding arrangements is the most significant change in over two decades.

The provisional funding settlement for 2026/27 was announced, on the 17 December 2025, followed by the final settlement on the 9 February 2026. The Settlement confirmed the first year of a three-year, multi-year settlement (2026/27–2028/29) and the first such deal in over a decade. It provides increased funding, greater certainty for medium-term financial planning, and introduces major reforms to funding distribution, most notably through Fair Funding Review 2.0. The settlement simplifies the funding landscape by rolling multiple legacy grants into the Revenue Support Grant (RSG) and reducing fragmentation. A smaller number of ring-fenced national grants remain, covering priority areas such as homelessness, public health, and children and family services.

Included in the Settlement announcement was an update for the treatment of SEND deficits and High Needs Funding where the Government will resolve approximately 90% of historic SEND (High Needs) deficits accrued up to the end of 2025/26, estimated at around £5.6bn nationally, subject to Local Authorities meeting reform conditions. Additionally, the statutory override allowing Local Authorities to hold SEND deficits off-balance-sheet is extended to 2027/28, with central government assuming responsibility for SEND funding from 2028 onwards. At the end of 2025/26, the Councils deficit on DSG was £9.208m meaning the council will need to make a contribution of £0.921m towards clearing the deficit by the end of 2027/28.

Despite being awarded an additional £6m of Revenue Support Grant in 2026/27 through the updated formula, the Council faced a budget shortfall and after delivering £195.3m of savings since 2009/10 further savings of £11.4m are required in 2026/27.

The agreed strategy for 2026/27 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 £11.4m from general fund budgets,
- £15.8m additional net investment into Adult Social Care,
- £2.7m additional net investment into Children's Services & Family Support
- 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 from business rates and council tax.

The decision was made to increase council tax by 4.99% for 2026/27, 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 2026/27 (Band B) was £1,317.70 per year (Band B is the typical band for Telford & Wrekin, Band D is £1,694.19). The Council had the lowest Council Tax out of all Councils areas in the Midlands region for the services which we provide.

2026/27 Net Revenue Budget		
2026/27 Total Net Revenue Spend	**£m** **213.664**	**%**
Funded From:		

2026/27 Net Revenue Budget		
Revenue Support Grant	48.520	22.7%
Retained Business Rates (incl. S31 grant & Top Up grant)	60.809	28.5%
Council Tax	101.678	47.6%
Collection Fund Surplus	2.657	1.2%
Total Funding	**213.664**	**100.0%**

Medium Term Financial Strategy (2026/27 – 2029/30)	Budget 2026/27 – Full Council 27 February 2025 Agenda item - Medium Term Financial Strategy 2026/27 - 2029/30 - Telford & Wrekin Council

G. ECONOMIC CONDITIONS

Nationally, Councils continue to face extreme challenges with unprecedented pressures fuelled by inflation being above the Bank of England's 2% target and an aging population leading to higher and more complex demand for services – particularly Adult Social Care, Children and Family Services, School Travel and Homelessness.

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. Following the release of inflation data in April 2026, reflecting March 2026, 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.

Despite the significant pressures faced during the 2025/26 the Council ended the year within budget which is a clear demonstration of the exceptionally strong financial management and financial resilience embedded in the authority.

In addition to the General and Special Fund Balances, the Council has a budgeted general contingency of £4.0m in 2026/27 and an additional £3.5m 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.

The full economic impact of the war in Iran, both on the Council and our residents, may not yet have been realised. Ongoing pressures, of any nature, 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 2026/27.

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 2025/26 in a positive position, despite the significant financial pressures experienced during the year. This is a solid basis upon which to move into 2026/27 and demonstrates ongoing financial resilience.

Following the 2026/27 Local Government Finance Settlement and the introduction of the multi-year settlement, the funding outlook for the medium term is a little more certain but will clearly continue to be challenging, particularly in light of the current inflationary and demand pressures.

Despite 2025/26 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 increasing demand for services at the same time as adopting the changes to the local government funding system.

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. The accounts for 2025/26 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 2025/26 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 £10.066m to move from an underspend of 0.133m, as detailed in Section E.1 above and the 2025/26 Financial Outturn Report, to a deficit of £9.933m in the Comprehensive Income and Expenditure Statement. This adjustment reflects technical accounting requirements and does not alter the underlying position of £0.133m 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 £9.933m (after technical accounting adjustments referred to above) compared with the outturn report which shows an underspend of £0.133m. 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 £4.577m at 31st March 2026). 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 2026 and shows net assets reducing by £12.961m to £363.928m 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 £1.802m.

- **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 £0.376m for the year and the Council's share of the surplus was £3.301m at 31st March 2026. The localisation of business rates means that we also show similar information in respect of this. The business rates show an increase in the deficit balance on the account for the year of £3.435m, and the Council's share of the total deficit was £1.887m at 31st March 2026.

... **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 Edward 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 Telford & Wrekin Council | Register of interests online 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
26 May 2026

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 2026.

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: 18 November 2026

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: 18 November 2026

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Annual Governance Statement

1 April 2025 – 31 March 2026

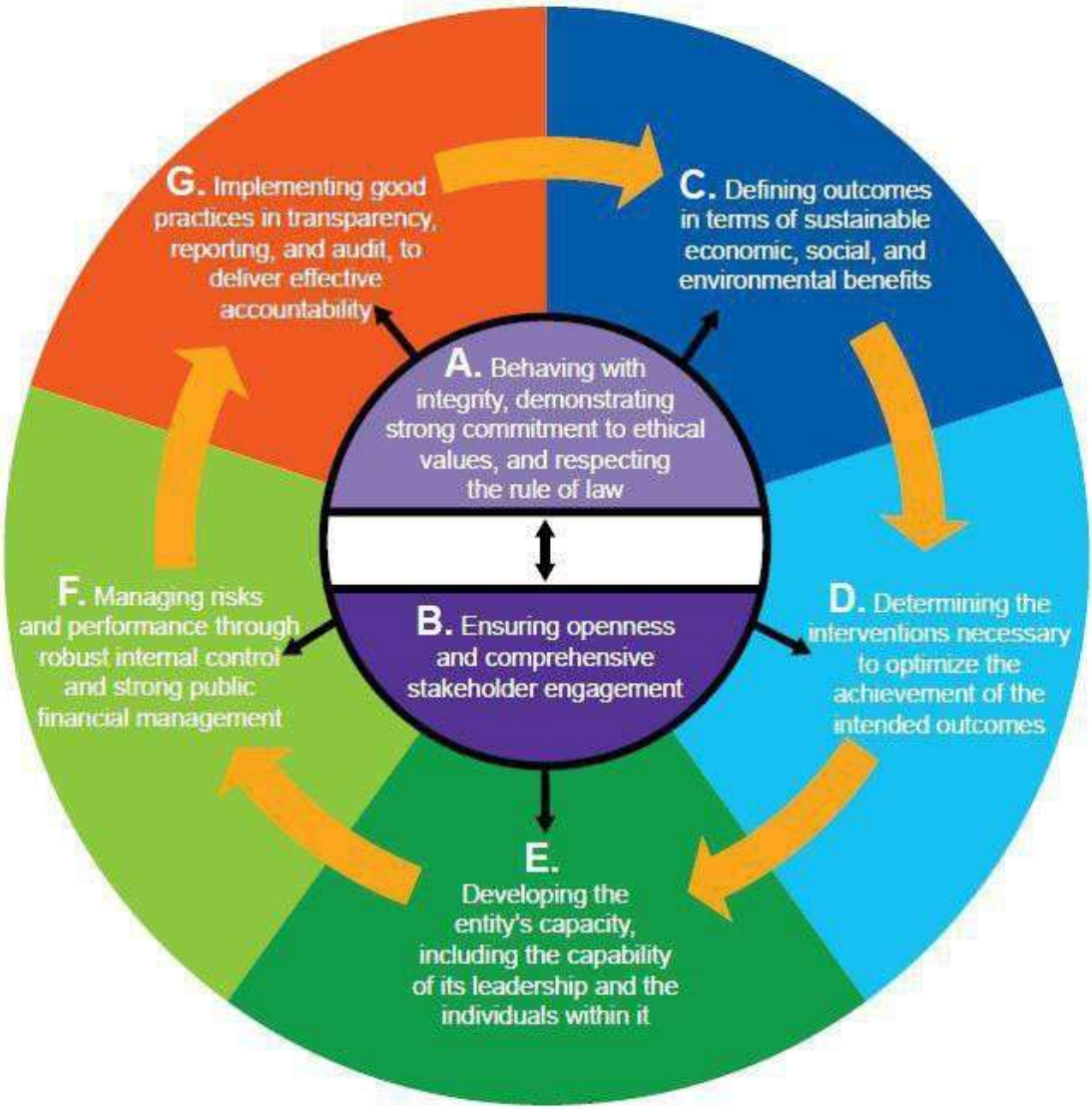


1. Introduction

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 2032 which details borough aspirations for the Council and its partners.

2.2 To achieve this vision, 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 2025/26 has seen continued challenges around financial management which have been appropriately 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 2025/26 included:

- The Local Government Chronicle awarded the accolade of Council of the Year 2025 to Telford & Wrekin Council;
- The Council was awarded funding to create the first Valour-recognised armed forces centre in the West Midlands, one of only 14 in the country;
- The Council's My Options Supported Housing Team received an 'Outcome 1' Ofsted report. This is the highest rating the service could be given.

See paragraphs 6.6 and 7.3.11 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 is responsible for ensuring that its business is conducted in accordance with the law and proper standards. The Council has a responsibility to ensure that public money is safeguarded, 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 what it does and how it does things.

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 is not possible to eliminate all elements of risk that might result in a failure to achieve priorities and objectives and, therefore, these systems of internal control, and this annual governance statement can 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 2025/26 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 2025/26 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 2025/26 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. The Internal Audit team undertakes sample testing of completed certificates to provide additional assurance that adequate controls/risk management measures have been operating effectively within the organisation.

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 2025/26 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

6.7 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 the Internal Audit team is based upon risk. The scope of each audit assignment, as a minimum, includes assessment of the governance, risk management and control arrangements put in place by management. Work undertaken by Internal Audit complies with the Global Internal Audit Standards – UK Public Sector.

6.8 The Internal Audit team has completed 97% of the revised risk-based Annual Internal Audit Plan together with some additional ad-hoc work as required. Internal Audit has 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

6.9 As stated above, reliance has been placed on other sources of assurance in 2025/26 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.

6.10 Throughout 2025/26, the Council has consistently been recognised as a well performing Council by a number of external bodies. Below is a summary of the recognition received.

- The Council was crowned 'Council of the Year 2025' by the Local Government Chronicle. This is one of the most prestigious awards in UK local government and recognised the Council's organisational excellence, leadership, performance, culture and outcomes.

- The LGC also asked the Council to present as part of a national webinar hosted by the LGC on excellence in local government.

- The Council was awarded funding to create the first Valour-recognised centre in the West Midlands

- The Council's My Options Supported Housing Team received an 'Outcome 1' Ofsted report. This is the highest rating the service could be given.

- The UK Ministry of Defence re-accredited the Council with the Employer Recognition Scheme (ERS) Gold Award.

- 8 of Telford's parks and local nature reserves earned the prestigious Green Flag Award.

- The Council's Communication's Team were named 'Comms Team of the Year' at the Comms 2.0 Awards.

- 2 Council teams were shortlisted for APSE awards – these were awards for:

  - Best Community and Neighbourhood Initiative – for the Street Champions scheme
  - Best Building and Housing Initiative – for bringing Octavia Court and the former Red Lion public house site into better use for specialist and supported housing

- The Council received the Institute of Customer Service's (ICS) Service Mark accreditation in July 2025. The Council is the first local authority in the UK to achieve this.

- 2 Council teams were shortlisted for Local Government Chronicle awards – these awards were for:

  - Small Team of the Year – for the Customer Relationship Team's work on gaining ICS accreditation
  - Housing awards – for work by the Strategic Housing and Regeneration Team in transforming empty properties

- The Telford & Wrekin Bike Hub was crowned Community Engagement Project of the Year' at the National Travel Awards

The Local Government Association undertook a corporate peer challenge in September 2025 and found that the Council is a high-performing Council with its leadership being identified as confident and credible.

6.11 Other examples of assurance obtained in year include:

- 1:1 supervision and team meetings
- Case file audits
- Monitoring of service plans
- Regular contract review meetings
- Regular financial monitoring
- Completion of statutory returns
- Quality checks undertaken
- Completion and approval of regular reconciliations
- Lexcel re-accreditation in Legal
- Annual Scrutiny Work Programme
- Quality Assurance Improvement Plan
- Quarterly statutory officer's meetings
- External audit of Housing Benefit Subsidy Claim
- CQC/Ofsted inspection
- Accounts completed within statutory timescale with an unqualified opinion

6.12 KPMG has been the Council's External Auditor for 2025/26. They have presented to the Audit Committee throughout 2025/26. The following is a summary of KPMG's findings contained in their Annual Auditor's Report 2024/25 for that reporting period -

- No material inconsistencies had been identified.
- In respect of governance, no significant risks have 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.
- A risk assessment had also been completed in order to look at the Council's financial position which considered three key areas – financial sustainability, governance and economy, efficiency and effectiveness and that no weaknesses in these areas had been identified.

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

6.14 As part of the AGS certification process and ethics-related audit checks throughout the year, a small number of areas have been identified that require some further development. Attached as Appendix 1 is an agreed action plan to address these areas for development and ensure continuous learning and improvement. Matters identified in the previous AGS action plan (2024/25) that have been addressed or mainstreamed have been deleted and those that continue to be addressed are included in the 2025/26 action plan.

6.15 The Senior Management Team has monitored implementation of the 2024/25 actions and progress reported to the Audit Committee at its January 2026 meeting.

6.16 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. Some improvements are needed in this area and recommendations have been included in the 2025/26 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. It is important to note that the Council has a zero-tolerance policy in relation to fraud and corruption and it is the responsibility of Heads of Service 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.

7.1.4 The Internal Audit team, along with the Investigations Team, undertakes proactive fraud prevention, detection and investigation 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.

7.1.5 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.

7.1.6 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 Heads of Service 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 2025/26 AGS action plan.

7.1.7 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.

7.1.8 The Human Resources team and the Council's 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.

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

7.1.10 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.

7.1.11 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. The Corporate Peer Challenge reported a strong "golden triangle" of Head of Paid Service, section 151 Officer and Monitoring Officer which is considered the backbone of robust governance.

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 by 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.

7.2.2 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.

7.2.3 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. A Vision 2032 Partnership Annual Review took place and the outcome of this was reported to Cabinet in April 2025. Since then, a pilot partnership project has commenced to help address inequalities in those areas of the Borough which face greatest challenge with impact being monitored and reported upon the conclusion of the pilot.

7.2.4 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.

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

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

7.2.7 Annually the public is consulted on the budget proposals for the forthcoming year.

7.2.8 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.

7.2.9 The Scrutiny provision has looked at the development of policy, the decision-making process and areas of concern. The subject areas for review are 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.

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

7.3.1 The Council 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 drive economic investment into, and grow employment opportunities within, the borough which, in turn, generates income to invest in frontline services mitigating financial uncertainty caused by global volatility, cost of living and Government funding reform. The Council has a commercial/investment strategy that demonstrates clear visions, objectives and outcomes. This includes financial, economic, social and environmental issues whilst its economic growth strategy supports and drives increased economic productivity.

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 is currently undertaking a review of the Local Plan and has carried out extensive consultation exercises on this. The Local Plan has been formally submitted to the Planning Inspectorate and is currently being examined by independent Planning Inspectors.

7.3.4 All service areas have their own service plans (refreshed in 2025/26) which detail 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 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.

7.3.6 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.

7.3.7 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. Additionally, the Children's Services service area also has a cost improvement plan which is overseen by SMT and members on a regular basis throughout the year.

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

7.3.9 Implementation of the IDT Strategy has continued, including infrastructure upgrades and further security improvements particularly in response to spam, phishing and ransomware attacks. The strategy also encompasses the expanded use of AI and governance is in place to ensure AI is implemented safely, ethically and transparently.

7.3.10 An Artificial Intelligence Board has been established to ensure that any AI projects are appropriately governed. In addition, AI specific assessment templates are used to assess risks and ensure ethical implementation of any approved AI technology, being mindful of information governance principles.

7.3.11 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:

- Securing £6.7m in Warm Homes Local Grant Funding to retrofit low-income homes, improving energy efficiency and tackling fuel poverty.
- Continued to deliver affordable warmth through Nuplace, completing energy-efficient homes with solar panels and EV charging.
- The Council has reported a 63% carbon reduction achievement and set a target for 70% for 2026/27.
- Continued transition of Council fleet vehicles to fully electric vans.
- Promoted active travel programmes including investment in cycling and walking infrastructure and school travel behaviour projects to reduce car use.
- The Corporate Carbon Neutral Action Plan was updated in October 2025 including risk register updates and annual reporting arrangements.
- Wellington Pool work completed with the pool reopening in August 2025. The work included a £1.1m package of energy efficiency improvements.

- Through the LED Bulb Distribution Scheme, the Council has provided 16,184 energy saving LED bulbs to the borough.
- Awarded £683,370 from the On-street Residential Charge Point Scheme for the installation of 70 dual fast EV charge points in Council car parks

7.3.12 Many more activities have taken place in 2025/26 to support climate adaption and biodiversity.

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

7.4.1 The 2025/26 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 Council's Workforce Strategy is available to all employees on the intranet. The strategy consists of 6 priorities which reflect the Council's aims to be an employer of choice. The Council is refreshing this strategy in 2026, encompassing outcomes from Strategic Workforce Planning which the Council has recently been undertaking.

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

7.5.3 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 2025/26 with approximately 250 Team Leaders/Managers taking part.

7.5.4 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 55 exhibitors and almost 3,000 visitors attending. Apprenticeship opportunities were promoted at this show.

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

7.5.6 The action plan at Appendix 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 at the heart of what the Council does. A number of governance documents detail 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 have potential to prevent the Council achieving its objectives. This risk register is presented to the Audit Committee for consideration and discussion 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 2025/26 the Internal Audit team achieved 93% of its revised planned work and this has been used, in part, with the relevant output from unplanned work to help form the 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 the Internal Audit team as part of the Quality Assurance Improvement Program. No significant issues have been found during these checks but a small number of minor improvements have been fed back to the Internal Audit Team to assist in their continuous development and learning.

7.6.6 The Internal Audit team 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 2025/26.

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 makes best use of the money available. Financial roles and responsibilities are clearly shown in the Regulations and this 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, MUFG, 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 mainly as a result of increased demand for services, in particular for Adult Social Care. £195.3m of ongoing savings/additional income will have been delivered by the end of 2025/26 with a further £16.7m ongoing savings/additional income to be delivered by the end of 2026/27. The Local Government Finance Settlement announced in December 2025 was the first multi-year settlement in nearly a decade with funding allocations provided for 2026/27 through to 2028/29. The settlement reflected the outcome of the Governments Fair Funding 2.0 Review and simplified the number of funding streams by consolidating several grants into the Revenue Support Grant and four main separate grants. It also simplified the formulas used in the needs assessment and updated the data used which hadn't been updated for decades.

7.6.15 Whilst the provisional settlement figures for future years provide more certainty over funding for the Council, it should be noted that the settlement will remain an annual event with figures for future years being subject to change until "locked down" by their own settlement. Due to the significant financial pressures facing the Council because of increased demand for services, it is anticipated that the need for future Council Tax increases and savings will continue. Savings targets will be allocated as part of the budget planning cycle for 2027/28 in June.

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 2025/26, 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, the Committee was provided with an update on these matters by MUFG Treasury Services, the Council's Treasury Management advisors.

7.7.5 There are various committees, each 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 the Internal Audit team fully complies with the Global Internal Audit Standards – UK Public Sector (GIAS-UK PS). The Internal Audit team completes self-assessments against the standards with the outcome of this being reported to the Audit Committee. The next internal self-assessment will be completed in 2026/27 against the GIAS-UK PS. The next external assessment will take place in 2027/28.

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 Heads of Service and relevant Senior Management representatives for consideration and implementation of recommendations. Internal Audit shares 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 procedures are in place that drive continuous improvement in performance whilst also identifying challenges and opportunities.

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 2025/2026 included:

- Continued delivery of the Council's EDI strategy.
- In May 2025, a dedicated Cabinet portfolio was created for Inclusion, Engagement, Equalities and Civic Pride.
- Ongoing formal recognition of care experience and armed forces service as a protected characteristic.
- Compliance with the Public Sector Equality Duty.
- Participation in the 'Everyone Belongs Here' campaign across Shropshire and Telford & Wrekin.
- Chief Executive led cross-council internal EDI Steering Group in place

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 Local Government Reorganisation

8.2.1 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.

8.3 On-going financial challenges

8.3.1 The local government sector within England and Wales faces 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.

8.4 Global volatility

8.4.1 Current global volatility in areas such as Ukraine and the Middle East has been seen to impact upon global markets and the cost of things such as fuel, services and interest rates. Developments will be monitored by the Council, alongside its professional advisors to enable it to respond appropriately to any sustained impacts.

8.5 Continued Customer Centric Services

8.5.1 The Council continues to place the customer at the centre of everything it does. To supplement this approach, in September 2025, the Council published its Customer Strategy 2025-2030 – Delivering our Customer Experience

Sign-off of the 2025/26 Annual Governance Statement

Annex 1

AGS ACTION PLAN FOR 2025/26 FOR IMPLEMENTATION DURING 2026/27

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 given the challenging local government landscape.	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 cover succession planning, single points of failure and 'growing our own' and there will be a need for ongoing work to ensure this is an embedded approach across the organisation. 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 2025/26 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	Data breach analysis has been incorporated into the performance management reporting presented to the Senior Management Team. Increase sharing of information internally of any trends around data breaches and 'near misses'.	Director: Policy & Governance

Ref.	Area Identified for development and / or ongoing monitoring	Actions	Lead Officer
	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.	IG Team support for services who process high volumes of personal data. The Council has continued to run mock cyber security exercises to ensure awareness is maintained of the risks posed by matters such as phishing.	

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2025/26
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.

2024/25 Comparative figures				2025/26		
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
77,787	(2,365)	75,422	Adult Social Care	89,960	(5,125)	84,835
49,335	(4,033)	45,302	Children's Safeguarding & Family Support	53,238	(3,877)	49,361
0	782	782	Corporate Communications	59	708	767
(11,127)	2,782	(8,345)	Council Wide	14,816	(30,657)	(15,841)
6,958	32,330	39,288	Education & Skills	(7,201)	33,128	25,927
12,355	3,561	15,916	Finance, People & IDT	10,632	6,129	16,761
403	158	561	Health & Wellbeing	582	(1,078)	(496)
3,967	(1,348)	2,619	Housing, Customer & Commercial Services	6,483	(4,101)	2,382
26,112	7,004	33,116	Neighbourhood & Enforcement Services	17,093	12,949	30,042
1,390	3,969	5,359	Policy & Governance	1,617	3,340	4,957
(9,593)	49,575	39,982	Prosperity & Investment	(19,585)	40,152	20,567
157,587	**92,415**	**250,002**	**Net Cost of Services**	**167,694**	**51,568**	**219,262**
(157,678)	(35,166)	(192,844)	Other Income & Expenditure	(167,827)	(41,502)	(209,329)
(91)	**57,249**	**57,158**	**(Surplus) or Deficit**	**(133)**	**10,066**	**9,933**
4,569			**Opening General Fund Balance**	**4,444**		
91			Surplus or (Deficit) for year	133		
(216)			Other approved uses	0		
4,444			**Closing General Fund Balance**	**4,577**		

Expenditure & Funding Analysis Notes

1. Adjustments between funding and accounting basis

2025/26

	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	89,960	18	0	(5,143)	(5,125)	84,835
Children's Safeguarding & Family Support	53,238	67	0	(3,944)	(3,877)	49,361
Corporate Communications	59	0	0	708	708	767
Council Wide	14,816	3,049	(7,385)	(26,321)	(30,657)	(15,841)
Education & Skills	(7,201)	27,372	0	5,756	33,128	25,927
Finance, People & IDT	10,632	5,686	0	443	6,129	16,761
Health & Wellbeing	582	0	0	(1,078)	(1,078)	(496)
Housing, Customer & Commercial Services	6,483	5,611	0	(9,712)	(4,101)	2,382
Neighbourhood & Enforcement Services	17,093	7,839	0	5,110	12,949	30,042
Policy & Governance	1,617	3	0	3,337	3,340	4,957
Prosperity & Investment	(19,585)	13,484	0	26,668	40,152	20,567
Net Cost of Services	**167,694**	**63,129**	**(7,385)**	**(4,176)**	**51,568**	**219,262**
Other Income & Expenditure	(167,827)	(53,583)	233	11,848	(41,502)	(209,329)
(Surplus) or deficit on provision of services	**(133)**	**9,546**	**(7,152)**	**7,672**	**10,066**	**9,933**

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

2024/25 Comparative figures

	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)	32,098	0	17,477	49,575	39,982
Net Cost of Services	**157,587**	**91,745**	**(2,346)**	**3,016**	**92,415**	**250,002**
Other Income & Expenditure	(157,678)	(44,186)	356	8,664	(35,166)	(192,844)
(Surplus) or deficit on provision of services	**(91)**	**47,559**	**(1,990)**	**11,680**	**57,249**	**57,158**

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 those 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 non-ringfenced government grants.

Reconciliation of Adjustments between Funding Basis to Accounting Basis under Regulation

2024/25 Comparative £000		2025/26 £000
42,043	Adjustments between Accounting Basis and Funding Basis under Regulation as Reported in note 14	(919)
13,078	Movement in Earmarked Reserves (see note 29)	11,132
1,874	Movement in School Balances (see note 29)	(342)
38	Movement in Revenue Grants unapplied and Other Balances (see note 29)	195
216	Approved use of reserve	0
57,249	**Adjustments between Accounting Basis and Funding Basis under Regulation as Reported in the EFA**	**10,066**

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.

2024/25 Comparative £000		2025/26 £000
48,890	Adult Social Care	51,975
14,394	Children's Safeguarding & Family Support	17,548
41	Corporate Communications	47
23,355	Council Wide	30,855
153,989	Education & Skills	164,955
7,341	Finance, People & IDT	7,081
10,862	Health & Wellbeing	11,907
80,936	Housing, Customer & Commercial Services	76,473
13,965	Neighbourhood & Enforcement Services	19,773
3,121	Policy & Governance	2,641
22,520	Prosperity & Investment	23,731
379,414	**Net Cost of Services**	**406,986**

2025/26
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	2024/25 Comparative			2025/26		
	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000
Adult Social Care	124,312	48,890	75,422	136,810	51,975	84,835
Children's Safeguarding & Family Support	59,696	14,394	45,302	66,909	17,548	49,361
Corporate Communications	823	41	782	814	47	767
Council Wide	15,010	23,355	(8,345)	15,014	30,855	(15,841)
Education & Skills	193,277	153,989	39,288	190,882	164,955	25,927
Finance, People & IDT	23,257	7,341	15,916	23,842	7,081	16,761
Health & Wellbeing	11,423	10,862	561	11,411	11,907	(496)
Housing, Customer & Commercial Services	83,555	80,936	2,619	78,855	76,473	2,382
Neighbourhood & Enforcement Services	47,081	13,965	33,116	49,815	19,773	30,042
Policy & Governance	8,480	3,121	5,359	7,598	2,641	4,957
Prosperity & Investment	62,502	22,520	39,982	44,298	23,731	20,567
Net Cost of Services	**629,416**	**379,414**	**250,002**	**626,248**	**406,986**	**219,262**
Other Operating Expenditure (Note 7)			3,989			14,869
Financing and Investment Income and Expenditure (Note 8)			10,220			9,305
Taxation & Non-Specific Grant Income and Expenditure (Note 9)			(207,053)			(233,503)
(Surplus) or deficit on provision of services			**57,158**			**9,933**
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			(10,765)			5,598
(Surplus) or deficit on revaluation of Available for Sale financial assets			0			0
Re-measurements of the net defined benefit pension liability (Note 12)			(1,046)			(2,570)
Other Comprehensive Income & Expenditure			**(11,811)**			**3,028**
Total Comprehensive Income and Expenditure			**45,347**			**12,961**

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 £000	Capital Grants Unapplied £000	Total Useable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
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	**79,983**	**28,002**	**107,985**	**268,904**	**376,889**
Total Comprehensive Income and Expenditure Surplus / (Deficit)	(3,361)	0	**(3,361)**	(9,600)	**(12,961)**
Adjustments between accounting basis & funding basis under regulations (Note 14)	(7,491)	13,165	**5,674**	(5,674)	**0**
Increase/ (Decrease) in 2025/26	**(10,852)**	**13,165**	**2,313**	**(15,274)**	**(12,961)**
Balance at 31 March 2026 carried forward	**69,131**	**41,167**	**110,298**	**253,630**	**363,928**

It should be noted that of the total useable reserves, £110.3m, only £4.577m 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 2025 Comparative £000		Notes	31 March 2026 £000
748,374	Property, Plant & Equipment	15a	772,567
11,932	Right of Use Assets	48	11,529
48,763	Investment Property	15b	52,311
7,887	Intangible Assets	17	3,982
27,300	Long Term Investments	21,22,24	29,200
63,119	Long Term Debtors	21	69,843
907,375	**Long Term Assets**		**939,432**
233	Inventories		218
58,768	Debtors	23	66,524
1,536	Assets Held for Sale	18	1,615
22,173	Cash and Cash Equivalents	25	23,975
82,710	**Current Assets**		**92,332**
(2,187)	Provisions	26	(3,280)
(187,257)	Short term Borrowing	21,22	(196,576)
(103,818)	Creditors	27	(109,820)
(293,262)	**Current Liabilities**		**(309,676)**
(210,552)	**Net Current Assets/(Liabilities)**		**(217,344)**
(247,646)	Long Term Borrowing	21,22	(296,084)
(54,282)	Long Term Creditors (PFI & Finance Leases)	21,28	(53,302)
(14,353)	Pensions Liability	12	(4,631)
(3,653)	Capital Grants Receipts in Advance	41	(4,143)
(319,934)	**Long Term Liabilities**		**(358,160)**
376,889	**Net Assets/(Liabilities)**		**363,928**
107,985	Useable Reserves	29,30	110,298
268,904	Unusable Reserves	31	253,630
376,889	**Net Reserves**		**363,928**

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.

2024/25 Comparative £000		2025/26 £000
57,158	Net (surplus) or deficit on the provision of services	9,933
(53,321)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 36)	(55,863)
42,923	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 37)	55,284
46,760	**Net cash flows from Operating Activities**	**9,354**
15,998	Investing Activities (Note 38)	42,886
(66,942)	Financing Activities (Note 39)	(54,042)
(4,184)	**Net (increase) or decrease in cash and cash equivalents**	**(1,802)**
17,989	Cash and cash equivalents at the beginning of the reporting period	**22,173**
22,173	Cash and cash equivalents at the end of the reporting period (Note 25)	**23,975**

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 2025/26 (COP), based on International Financial Reporting Standards (IFRS), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). This is supported by several 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 £217.3m, 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 2025/26 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.

Indexation

The Council has employed a 5-year rolling programme for the valuation of Other Land and Buildings. Where assets have not been revalued, the Council will apply an appropriate index to individual asset bases and ensure that the value of assets not revalued in year is not material. Where an appropriate index does not exist, then a desk top valuation exercise will be completed in the 3rd year since the asset was formally revalued.

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 2026 there were 6 significant capital contracts in place with commitments into future years. This commitment totalled £37.778m 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 2025/26 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. For this the Council will use PWLB borrowing rates.

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 2026.

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 2017/18 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 2025/26, the Council funded £1.511m 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 into 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 school 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 2026/27 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) FRS 102: The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland – amendments in relation to Heritage Assets,

b) IFRS 9 & 7: Financial Instruments & Financial Instrument Disclosures - amendments to the classification and measurement of Financial Instruments,

c) Annual improvements to IFRS accountings standards Volume 11, and

d) IFRS 9 & 7: Financial Instruments & Financial Instrument Disclosures - amendments to contracts referencing nature-dependant electricity.

It is likely there will be limited applications of items a) to d) above, although the Council will need to consider circumstances where any of these standards apply once adopted by the CIPFA Code of Practice.

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 arrangement 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.

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 2026 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 & 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 £2.8m for every year that useful lives had to be reduced.
Property, Plant & Equipment and Investment Property	Prior to the unexpected war in Iran the economy was starting to show cautious optimism, with some low growth driven by falling interest rates and more stable pricing. However, the war has had a major global financial impact with stock markets continually adjusting to ever changing circumstances, and volatile oil prices. The full effect of this has not yet filtered through to the property market. The expectation is that economic growth will remain low, and inflation is likely to remain above the government target due to rising fuel costs, as this filters through to all areas of the	A 1% movement on the valuation of Land & Buildings equates to +/- £4.9m A 1% movement on the valuation of Investment Property equates to +/- £0.487m

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	economy. Unemployment rates have risen slightly to 5.2% to the three months to December 2025, with the number of vacancies remaining static. As costs rise, this may change, as companies are required to cut costs. Domestic interest rates had stabilised, with consistent reductions by the Bank of England, however, the markets are expecting a rise due to the war, with mortgage lenders generally increasing rates. To date the Bank of England has maintained the current rate of 3.75% and suggests that this will continue. Further reductions are unlikely to be considered until the global situation stabilises. The Government is continuing to support housing growth with increased house building targets; however, build rates are still low. Demand continues to be strong for rental accommodation, and rental levels are rising at a much slower rate. The demand for online shopping continues, and while there has been a shift back to physical retail activity, this remains a mixed picture. There is still the expectation that real incomes will continue to fall as costs are rising, and the leisure industry is already seeing a decrease in consumer demand. Overall, the economic picture remains uncertain for all sectors with the expectation of modest growth in the short to medium term.	
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. However, the assumptions interact in complex ways.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
		Asset values included in the 2025/26 accounting figures equates to £36.1m of the property fund assets attributable to the Council. If these asset valuations were overstated by 10% this would have a £3.6m impact on the net pension liability.
Arrears	At 31 March 2026, the Authority had a balance of £74.3m for current debtors i.e. those following due within 1 year. The Council has set aside a bad debts provision of £7.8m (10.5% of the value of current debtors). It is our view that this level of provision is sufficient as the Council also has an earmarked reserve for losses on recovery of £1.0m 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 the provision of an additional 5% would require a further £3.7m to be set aside.
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 £0.079m

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 10 November 2026.

On 2 October 2026, the Department of Education formally approved the Council's Local Special Educational Needs & Disabilities (SEND) Reform Plan. The approval of the Plan was a significant milestone in the Government's commitment to fund 90% of the Councils Dedicated School Grant deficit as at 31 March 2026. An indicative grant allocation of

£8,287,259.00 was advised by the Department on 27 October 2026, to be paid 30 November 2026.

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 2025/26 are as follows:

	Central Expenditure £000	Individual Schools Budget £000	Total £000
Final DSG for 2025/26 before Academy & High Needs Recoupment			252,327
Academy & High Needs figure recouped for 2025/26			(116,598)
Total DSG after Academy & High Needs recoupment for 2025/26			**135,729**
Plus: Brought forward from Prior Year			0
Agreed Budgeted Distribution in 2025/26	**33,771**	**101,958**	**135,729**
In Year Adjustments	0	(187)	(187)
Final Budget Distribution for 2025/26	**33,771**	**101,771**	**135,542**
Less: Actual Central Expenditure	(39,004)		(39,004)
Less: Actual ISB deployed to Schools		(101,084)	(101,084)
In Year Carry Forward to 2025/26	**(5,233)**	**687**	**(4,546)**
Plus: Carry Forward to 2025/26 agreed in advance	0	0	0
Carry Forward to 2026/27			**(4,546)**
DSG unusable reserve at the end of 2024/25			**(4,662)**
Addition to DSG unusable reserve at the end of 2025/26			(4,546)
Total of DSG unusable reserve at the end of 2025/26			**(9,208)**
Net DSG Position at the end of 2025/26			**(9,208)**

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

2024/25 Comparative £000		2025/26 £000
6,139	Parish Council Precepts	7,071
33	Payment of RSG to Parishes	0

2024/25 Comparative £000		2025/26 £000
0	(Gains)/losses on the disposal of non-current assets – Academies and Trust Schools	0
(2,183)	(Gains)/losses on the disposal of non-current assets – Other Assets	7,798
3,989	**Total**	**14,869**

8. Financing and Investment Income and Expenditure

2024/25 Comparative £000		2025/26 £000
17,274	Interest payable and similar charges	22,236
(3,490)	Interest receivable and similar income	(5,570)
356	Pensions interest cost and expected return on pensions assets	233
(3,920)	Income & expenditure in relation to Investment Property and changes in Fair Value	(7,594)
10,220	**Total**	**9,305**

9. Taxation and Non-Specific Grant Income and Expenditure

2024/25 Comparative £000		2025/26 £000
(93,748)	Council tax income	(101,322)
(1,416)	Collection Fund (Surplus)/Deficit	(2,649)
(39,080)	Non-Domestic Business Rates	(37,398)
(5,988)	Non-Domestic Business Rates Top Up Grant	(6,089)
(12,393)	Revenue Support Grant	(12,689)
(13,290)	Section 31 Grant	(11,975)
(41,138)	Capital Grants and Contributions	(61,381)
(207,053)	**Total**	**(233,503)**

10. Expenditure and Income Analysed by Nature

2024/25 Comparative £000		2025/26 £000
	Expenditure	
199,433	Employee benefits expenses	201,998
369,719	Other services benefits	374,081
63,817	Depreciation, amortisation and impairment	44,744
19,531	Interest Payments	29,137
6,172	Precepts and levies	7,071
(2,183)	Gains / (losses) on disposal of assets	7,798
656,489	**Expenditure Total**	**664,829**
	Income	
(90,170)	Fees, charges and other service income	(98,615)
(5,769)	Interest & investment income	(5,920)

2024/25 Comparative £000		2025/26 £000
(140,232)	Income from Council Tax & NDR	(145,972)
(363,160)	Government Grants and other contributions	(404,389)
(599,331)	**Income Total**	**(654,896)**
57,158	**(Surplus) / Deficit on the Provision of Services**	**9,933**

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 £26.9m over 2025/26, from a surplus of £97.0m to a surplus of £123.9m. The main drivers are an increase in asset values (driven by strong investment returns over the year – a return of 7.35% over the year compared to the start of period discount rate of 5.9%, resulting in a net gain of £14.2m vs the interest on accrued liabilities), contributions paid over the year being higher than the cost of benefits accrued (as assessed on the accounting assumptions – a £8.5m gain), and a £4.4m gain due to changes in demographic assumptions following the review undertaken as part of the 2025 actuarial valuation of the Fund.

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 £4.6m 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 2024/25).

The estimated contributions expected to be paid into the Local Government Pension Scheme next year are £13.452m. The combined contribution rate, including lump sum, for 2026/27 was set at 12.2% (2025/26 18.8%). The year-on-year reduction reflects the surplus position on the Pension Fund at the triennial review completed in during 2025.

Actuarial Gains and Losses are recognised immediately through Other Comprehensive Income. As at the 31 March 2026 the cumulative amount of actuarial gain recognised in the statements is £170.71m.

The Council's assets and liabilities related to the Local Government Pension Scheme operated by Shropshire Council amounted to:

2024/25 Comparative £000		2025/26 £000
(645,674)	Present Value of Funded Benefit Obligations	(665,656)

2024/25 Comparative £000		2025/26 £000
(5,371)	Present Value of Unfunded Benefit Obligations	(4,631)
(651,045)	**Total Present Value of Benefit Obligations**	**(670,287)**
748,083	Fair Value of Pension Fund Assets	794,162
(111,391)	Adjustment for Asset Ceiling Calculation	(128,506)
(14,353)	**Surplus/(Deficit)**	**(4,631)**

Change in Benefit Obligation during year

2024/25 Comparative £000		2025/26 £000
(732,917)	Benefit Obligation at Beginning of Year	(651,045)
(15,740)	Current Service Cost	(11,306)
(35,339)	Interest on Pension Liabilities	(37,655)
(6,266)	Member Contributions	(6,646)
109,961	Re-measurements (Liabilities)	4,136
(124)	Past Service Costs	(22)
(351)	Curtailment Cost	(56)
29,731	Benefits / Transfers Paid	32,307
(651,045)	**Benefit Obligation at End of Year**	**(670,287)**

Change in Plan Assets during year

2024/25 Comparative £000		2025/26 £000
715,528	Fair Value of Plan Assets at Beginning of Year	748,083
34,983	Interest Income	43,994
2,476	Re-measurements (Assets)	8,977
19,366	Employer Contributions	19,826
6,266	Member Contributions	6,646
(805)	Administration Expenses	(1,057)
(29,731)	Benefits / Transfers Paid	(32,307)
748,083	**Plan Assets at End of Year**	**794,162**

Assets are valued at fair value, principally market value for investments, and consist of:

2024/25 Comparative			2025/26	
£000	%		£000	%
440,995	58.9	Equity Investments	442,586	55.7
100,543	13.4	Government Bonds	141,122	17.8
0	0.0	Other Bonds	0	0.0
32,691	4.4	Property	36,134	4.5
4,937	0.7	Cash/Liquidity	6,353	0.8
168,917	22.6	Other	167,967	21.2
748,083	**100.0**	**Total**	**794,162**	**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 2025 and was implemented in April 2026.

The main assumptions used in the calculations are:

2024/25 Comparative		2025/26
2.6%	- rate of inflation (CPI)	2.9%
3.9%	- rate of increase in salaries	4.2%
2.8%	- rate of increase in pensions	3.0%
50.0%	- proportion of employees opting to take a commuted lump sum	50.0%
5.9%	- rate for discounting scheme liabilities	6.2%
	- longevity at 65 for current pensioners	
21.8	Male	21.6
24.3	Female	24.2
	- longevity at 65 for future pensioners	
23.1	Male	22.9
26.0	Female	25.7

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 2026

Disclosure Item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
		+0.5%p.a. discount rate	+0.25% p.a. inflation/ pensions	+0.25% p.a. pay growth	1 year increase in life expectancy	+/-1% change in 2025/26 investment returns	
	£000	£000	£000	£000	£000	£000	£000
Liabilities	670,287	624,397	694,481	672,890	683,992	670,287	670,287
Assets	(794,162)	(794,162)	(794,162)	(794,162)	(794,162)	(802,079)	(786,245)

Disclosure Item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
		+0.5%p.a. discount rate	+0.25% p.a. inflation/ pensions	+0.25% p.a. pay growth	1 year increase in life expectancy	+/-1% change in 2025/26 investment returns	
	£000	£000	£000	£000	£000	£000	£000
Deficit / (Surplus)*	**(123,875)**	**(169,765)**	**(99,681)**	**(121,272)**	**(110,170)**	**(131,792)**	**(115,958)**
Projected Service Cost for next year	11,236	9,383	12,255	11,236	11,520	11,236	11,236
Projected Net Interest Cost for next year	(8,098)	(11,825)	(6,580)	(7,918)	(7,230)	(8,588)	(7,607)

*Deficit / (Surplus) excludes the impact of the Asset Ceiling Calculation.

Pensions Asset / Liability Account

2024/25 Comparative £000		2025/26 £000
(17,389)	Opening Balance	(14,353)
(475)	Past Service Cost - Added Years	(78)
(15,740)	Current Service Cost	(11,306)
(35,339)	Interest Cost	(37,655)
34,983	Return On Assets	43,994
19,366	Payments to Pension Fund	19,826
(805)	Administration Expenses	(1,057)
112,437	Actuarial Gain or (Loss)	13,113
(111,391)	Adjustment for Asset Ceiling*	(10,543)
0	Interest on Asset Ceiling	(6,572)
(14,353)	**Closing Balance**	**(4,631)**

Pensions Reserve

2024/25 Comparative £000		2025/26 £000
17,389	Opening Balance	14,353
475	Past Service Cost - Added Years	78
(19,366)	Charging Pensions Costs Payable	(19,826)
16,901	Reversing Out IAS 19 Items	12,596
(112,437)	Actuarial (Gain) or Loss	(13,113)
111,391	Adjustment for Asset Ceiling*	10,543
14,353	**Closing Balance**	**4,631**

* 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 income of £2.57m as at 31 March 2026 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 2025/26 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 central approach for determining all employers' contribution rates 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 2025/26 the Council paid an employer's contribution of £9,996,111 (£10,165,314 in 2024/25), representing 28.68% (23.68% in 2024/25) 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 2025/26 the Council paid an employer's contribution of £14,932 (£14,920 in 2024/25) representing 14.38% (14.38% in 2024/25) 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.

2025/26	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	49,025	0	0	(49,025)
Movement in the market value of Investment Properties	(4,281)	0	0	4,281
Revenue expenditure funded from capital under statute	17,272	0	0	(17,272)
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	14,722	0	0	(14,722)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				
Statutory provision for the financing of capital investment	(7,992)	0	0	7,992
Adjustment primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(61,381)	0	61,381	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(48,216)	48,216
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	(7,068)	7,068	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(7,068)	0	7,068
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

2025/26	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
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	(217)	0	0	217
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)	6,102	0	0	(6,102)
Employer's pensions contributions and direct payments to pensioners payable in the year	(19,826)	0	0	19,826
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	1,291	0	0	(1,291)
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	316	0	0	(316)
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	4,546	0	0	(4,546)
Total Adjustments	**(7,491)**	**0**	**13,165**	**(5,674)**

Comparative Movements in 2024/25:

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	61,997	0	0	(61,997)
Movement in the market value of Investment Properties	1,820	0	0	(1,820)
Revenue expenditure funded from capital under statute	27,810	0	0	(27,810)
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

2024/25	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
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
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)**

15a. Property, Plant & Equipment

Movements in 2025/26:

	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Assets Under Construction £000	Surplus Assets £000	Total Property, Plant and Equipment £000
Gross Book Value Brought Forward	**490,012**	**41,860**	**22,874**	**7,739**	**562,485**
Additions	36,704	5,182	28,480	33	**70,399**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(6,101)	0	0	0	**(6,101)**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(24,731)	0	0	0	**(24,731)**
Derecognition – disposals	(14,708)	0	(158)	0	**(14,866)**
Assets reclassified (to)/from PPE	(6,311)	0	6,311	0	**0**
Assets reclassified (to)/from Investment Properties	1,097	0	0	0	**1,097**
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	0	0	0	**0**
Gross Book Value at 31 March 2026	**475,962**	**47,042**	**57,507**	**7,772**	**588,283**
Less Accumulated Depreciation					
Balance Brought Forward	**15,307**	**38,578**	**0**	**0**	**53,885**
Depreciation charge	12,051	834	0	0	**12,885**
Depreciation written out to the Revaluation Reserve	(503)	0	0	0	**(503)**
Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	(1,075)	0	0	0	**(1,075)**
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 2026	**25,780**	**39,412**	**0**	**0**	**65,192**
Net Book Value					
at 31 March 2026	**450,182**	**7,630**	**57,507**	**7,772**	**523,091**
at 31 March 2025	**474,705**	**3,282**	**22,874**	**7,739**	**508,600**
Nature of Holding as 31 March 2026					
Owned	432,020	7,630	57,507	7,772	**504,929**
PFI	18,162	0	0	0	**18,162**
Total	**450,182**	**7,630**	**57,507**	**7,772**	**523,091**

Comparative Movements in 2024/25:

	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Assets Under Construction £000	Surplus Assets £000	Total Property, Plant and Equipment £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 Held for Sale	0	0	0	0	**0**
Asset 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**
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 at 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**

PFI Assets

Contained within Property Plant and Equipment are the following asset valuations relating to the PFI contract and which remain in the Councils control.

2024/25 PFI Assets Included PPE £000		2025/26 PFI Assets Included in PPE £000
18,469	**Gross Book Value Brought Forward**	**18,661**
15	Additions	14
415	Revaluation increases/(decreases) recognised in the Revaluation Reserve	(29)
(238)	Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0
0	Derecognition – disposals	0
0	Assets reclassified (to)/from PPE	0
18,661	**Gross Book Value Closing Balance**	**18,646**
	Less Accumulated Depreciation	
197	**Balance Brought Forward**	**116**
407	Depreciation charge	381
(348)	Depreciation written out to the Revaluation Reserve	(13)
(140)	Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	0
116	**Depreciation Closing Balance**	**484**
18,545	**Net Book Value Closing Balance**	**18,162**

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.

2024/25 Comparative £000		2025/26 £000
236,277	**Net Book value (Modified historical cost) Brought Forward Balance**	**239,774**
10,725	Additions	17,198
0	Derecognition	0
(7,228)	Depreciation	(7,496)
0	Impairment	0
0	Other movements in cost	0
239,774	**Net Book Value Balance carried forward**	**249,476**

Reconciliation to Balance Sheet

2024/25 Comparative £000		2025/26 £000
239,774	Infrastructure Assets	249,476
508,600	Other PPE assets	523,091
748,374	**Total PPE Assets as per Balance Sheet**	**772,567**

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 2026, the Authority has entered into 6 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 £37.778m. Similar commitments at 31 March 2025 were £41.476m. The major commitments are:

- The development of Wellington district centre which form parts of the Council's Towns Fund project; the outstanding commitment is £1.869m,
- The re-generation and re-development of Station Quarter which includes 2 contracts; the outstanding commitment against these is £14.846m,
- The expansion of Telford Park School; the outstanding commitment is £2.869m,
- The expansion of a commercial unit at 45 Hortonwood; the outstanding commitment is £5.073m, and

- The development of a new swimming pool and leisure facilities; the outstanding commitment is £13.121m.

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

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:

2024/25 Comparative £000		2025/26 £000
46,575	**Balance Brought Forward**	**48,763**
368	Additions	0
0	Revaluation increase/(decrease) recognised in the revaluation reserve	364
1,820	Revaluation increase/(decrease) met from the Net Surplus/Deficit on the Provision of Services	4,281
0	Disposals	0
	Transfer:	
0	(to)/from Property, Plant & Equipment	(1,097)
48,763	**Balance Carried Forward**	**52,311**

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:

2024/25 Comparative £000		2025/26 £000
(3,230)	Rental & other income from Property Portfolio	(4,116)
1,130	Direct operating expenses arising from Property Portfolio	1,167
(2,100)	**Net Operational (Gain)/Loss**	**(2,949)**
(1,820)	Net (gain)/loss on revaluation of properties	(4,645)
(3,920)	**Total (Gain)/Loss**	**(7,594)**

16. Valuation of Property Plant & Equipment

The Council's property, that was due to be valued this year, was valued on 31st December 2025 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 2026 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.

Indexation

From 2025/26, the Council has employed a 5-year rolling programme for the valuation of Other Land & Buildings. Prior to this a 3-year rolling programme was employed. Where assets have not been revalued, the Council will apply an appropriate index to individual asset bases and ensure that the value of assets not revalued in year is not material. Where an appropriate index does not exist, then a desk top valuation exercise will be completed in the 3rd year since the asset was formally revalued.

Provision of these indices is not a valuation… they are based on past growth performance and are not a prediction of future performance, often calculated 3-6 months in arrears. There are no regional indices available to reflect the specific growth performance for Other Land & Building assets in the Telford & Wrekin area, therefore their application could lead to inaccurate predictions of value. This is reflected in the external advice provided.

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 previous rolling 3 years.

	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Asset Under Construction £000	Total Property Plant & Equipment £000
Carried at Historic Cost	17,770	3,282	22,874	**43,926**
Valued @ 31 March 2022	8,406			**8,406**
Valued @ 31 March 2023	18,018			**18,018**
Valued @ 31 March 2024	83,007			**83,007**

	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Asset Under Construction £000	Total Property Plant & Equipment £000
Valued @ 31 March 2025	242,143			**242,143**
Valued @ 31 March 2026	105,361			**105,361**
Total Cost or Valuation	**474,705**	**3,282**	**22,874**	**500,861**

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:

2024/25 Comparative £000		2025/26 £000
	Balance at start of the year	
20,240	Gross Carrying Amount	24,419
(13,713)	- Accumulated Amortisation	(16,532)
6,527	**Net Carrying Amount Brought Forward**	**7,887**
	In year movements	
4,351	Purchases	0
(172)	Revaluation Gain/(Loss) & Impairments met from the Surplus/Deficit on the Provision of Services	0
(2,819)	Amortisation for the Period	(3,905)
1,360	**Net Movements in Year**	**(3,905)**
	Balance at end of the year	
24,419	Gross Carrying Amount (inc. Revaluation increase/(decrease)	24,419
(16,532)	Accumulated Amortisation	(20,437)
7,887	**Net Carrying Amount Carried Forward**	**3,982**

18. Assets Held for Sale

2024/25 Comparative £000		2025/26 £000
1,544	**Balance Brought Forward**	**1,536**
257	Additions	118
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

2024/25 Comparative £000		2025/26 £000
(265)	Revaluation Gain/(Loss) & Impairments met from the Surplus/Deficit on the Provision of Services	(39)
0	Assets sold	0
1,536	**Balance Carried Forward**	**1,615**

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
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 2025/26 the Authority has recognised a net revaluation loss of £28.929m (2024/25 revaluation loss £32.518m) in relation to Property, Plant & Equipment, Assets Held for Sale and Intangible Assets. Of this, a loss of £5.234m was recognised in the Revaluation Reserve and a loss of £23.695m 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.

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
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2025/26
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fair Value through Profit and Loss									
Amortised Cost									
Cash & Cash Equivalents					22,062	23,866			**23,866**
Debtors*			862	1,326			32,369	31,502	**32,828**
Debtors with Subsidiaries							646	606	**606**
NuPlace Loan			62,257	68,517					**68,517**
Fair Value through other comprehensive income - designated equity instruments									**0**
Fair value through other comprehensive income - other									**0**
Total Financial Assets	**0**	**0**	**63,119**	**69,843**	**22,062**	**23,866**	**33,015**	**32,108**	**125,817**
Non-Financial Assets - Other					111	109	33,003	42,228	**42,337**
Nuplace Equity	27,300	29,200							**29,200**
Total	**27,300**	**29,200**	**63,119**	**69,843**	**22,173**	**23,975**	**66,018**	**74,336**	**197,354**

Financial Liabilities

	Non-Current				Current				Total
	Long Term Borrowing		Long Term Creditors		Short Term Borrowing		Creditors		
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2025/26
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fair Value through Profit and Loss									
Amortised Cost									
Borrowing	247,646	296,084			187,257	196,576			**492,660**
PFI and finance lease Liabilities			54,282	53,302			3,771	1,036	**54,338**
Other Creditors*							87,124	94,981	**94,981**
Total Financial Liabilities	**247,646**	**296,084**	**54,282**	**53,302**	**187,257**	**196,576**	**90,895**	**96,017**	**641,979**
Non-Financial Liabilities							12,923	13,803	**13,803**
Total	**247,646**	**296,084**	**54,282**	**53,302**	**187,257**	**196,576**	**103,818**	**109,820**	**655,782**

* 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

	2024/25 Comparative		2025/26	
	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	(3,490)	0	(6,339)
Other financial assets measured at fair value through other comprehensive income	0	(3,920)	0	(7,594)
Total interest revenue	**0**	**(7,410)**	**0**	**(13,933)**
Interest expense	**0**	**17,639**	**0**	**22,212**
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				

	2024/25 Comparative		2025/26	
	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:

	2024/25 Comparative		2025/26	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Assets				
Cash and Cash Equivalents	22,062	22,062	23,866	23,866
Other receivables	96,134	96,134	101,951	101,951
Total Financial Assets	**118,196**	**118,196**	**125,817**	**125,817**

The fair value of the assets is the same as the carrying amount due to the nature of the assets held.

	2024/25 Comparative		2025/26	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Liabilities				
Borrowing	434,903	385,806	492,660	493,307
PFI and finance lease liabilities	58,053	58,053	54,338	54,338
Other payables	87,124	87,124	94,981	94,981
Total Financial Liabilities	**580,080**	**530,983**	**641,979**	**642,626**

The fair value of the liabilities is higher than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2026) arising from a commitment to pay interest to lenders below 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 2026			
	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	23,866	0	**23,866**
Other receivables	0	101,951	0	**101,951**
Total Financial Assets	**0**	**125,817**	**0**	**125,817**
Financial Liabilities				
Borrowing	0	493,307	0	**493,307**
PFI and finance lease liabilities	0	54,338	0	**54,338**
Other payables	0	94,981	0	**94,981**
Total Financial Liabilities	**0**	**642,626**	**0**	**642,626**

	31 March 2025 Comparative			
	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**

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 2026 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 31/3/2026 £000	Fair Value @ new loan rate 31/3/2026 £000	Fair Value @ premature repayment rate 31/3/2026 £000
Financial Assets			
Fixed Term Deposits	0	0	0
Other	29,200	29,200	29,200
Financial Liabilities			
Money Market Loans (inc. LOBO's)	30,000	21,170	29,898
PWLB Loans	331,537	341,014	302,664
Abundance Municipal Loans	110	110	110
Temporary Loans	131,013	131,013	131,013
	492,660	**493,307**	**463,685**

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 relative interest rates at 31 March 2026 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 2026 £000s	Historical experience of default %	Historical experience adjusted for market conditions at 31 March 2026 (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	29,200	0	0	0
Debtors	66,018	0	10.982%	7,250
Total	**95,218**	**0**	7.614%	**7,250**

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 120.

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, MUFG Corporate Markets, 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 2026 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	(23,866)	196,576	172,710	1,727
Fixed	(29,200)	296,084	266,884	0
Total	**(53,066)**	**492,660**	**439,594**	**1,727**

A 1% change in interest rates would have an impact on the budget of £1.727m, this is because at 31st March 2026 more variable borrowing than variable investments were held. The most likely next move in interest rates at 31st March 2026 is downward and this would lead to a net reduction in borrowing costs based on the position at 31st March 2026. 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.	2024/25 Comparative £000	2025/26 £000
Public Works Loan Board	1.20%	9.38%	212,537	266,047
Money Market Loans (including LOBOs)	3.98%	4.50%	35,000	30,000
Abundance Municipal Investments			109	37
			247,646	**296,084**

Long term borrowing by maturity:

	2024/25 Comparative £000	2025/26 £000
Maturing in 1-2 years	34,062	90,365
Maturing in 2-5 years	36,787	46,019
Maturing in 5-10 years	55,725	47,825
Maturing in more than 10 years	121,072	111,875
	247,646	**296,084**

Total Borrowing

	2024/25 Comparative £000	2025/26 £000
Total Long-Term Borrowing	247,646	296,084
Temporary Borrowing	187,257	196,576
Total Borrowing	**434,903**	**492,660**

During the year, total borrowing increased by £57.8m, from 434.9m to £492.7m. This increase was due to capital expenditure funded from Prudential Borrowing.

23. Debtors

2024/25 Comparative £000		2025/26 £000
	Amounts falling due in one year:	
7,473	Central Government	9,844
1,333	Other Local Authorities	1,265
2,097	NHS Bodies	3,448
646	Amounts due from Subsidiaries	606
54,469	Other Entities and Individuals	59,173
66,018	**Gross Debtors**	**74,336**
(7,250)	Provision for Expected Credit Loss & Incurred Loss	(7,812)
58,768	**Total**	**66,524**

Provision for Expected Credit Loss & Incurred Loss

2024/25 Comparative £000		2025/26 £000
(229)	Rent associated with Property Investment	(174)
(246)	Sales Ledger	(271)
(1,419)	Benefits overpayments	(1,264)
(5,356)	Other provisions	(6,103)
(7,250)	**Total**	**(7,812)**

24. Investments

In total the Council's investments held at 31st March 2026 increased by £3.704m as a result of an increase in cash holdings of £1.804m and further acquisition of share capital in our wholly owned subsidiary of £1.9m.

The Council has long term investments, totalling £29.2m, 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

2024/25 Comparative £000	Category	2025/26 £000
	Long Term Investments	
27,300	Other (Equity Investments)	29,200
27,300	**Total Long Term Investments**	**29,200**
0	**Short Term Investments**	**0**
22,062	**Cash & Cash Equivalent Investments**	**23,866**
49,362	**Total Investments**	**53,066**

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:

2024/25 Comparative £000		2025/26 £000
3,482	Bank current accounts	3,086
18,580	Call Accounts (including DMADF Deposits & Money Market Funds)	20,780
22,062	**Cash and Cash Equivalent Investments**	**23,866**
111	Cash held by the Authority	109
22,173	**Total Cash and Cash Equivalents**	**23,975**
0	Bank Account Overdrawn	0
22,173	**Net Cash Position for Cash Flow Purposes**	**23,975**

26. Provisions

	1st April 2025 £000	Transfers/ Payments in year £000	Transfers/ Receipts in year £000	31st March 2026 £000
Restructure Provision	**64**	(64)	0	**0**
NDR Appeals Provision	**2,123**	(2,123)	3,280	**3,280**
Total	**2,187**	**(2,187)**	**3,280**	**3,280**
Previous Year	**3,125**	**(3,972)**	**3,034**	**2,187**

Restructure Provision –the restructure provision for 2025/26 is nil as there were no committed severance costs identified at 31 March 2026.

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, £6.694m is estimated as the amount required to set aside for this purpose in the 2025/26 accounts (£4.332m in 2024/25). Telford & Wrekin Council's proportion of this is £3.280m (49%) (£2.123m in 2024/25).

27. Creditors

2024/25 Comparative £000		2025/26 £000
6,258	Central Government	5,198
2,794	Other Local Authorities	3,080
997	Public Corporations and Trading Funds	1,014
89,998	Other Entities and Individuals	99,492
3,771	PFI and Leases	1,036
103,818	**Total**	**109,820**

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 2025/26 the Authority made payments of £12.680m 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 £18.162m. The equivalent figure at 31st March 2025 was £18.545m.

A finance lease creditor has also been recognised to the value of £38.429m as at 31st March 2026. 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:

	2024/25 Comparative				2025/26			
	Service £000	Lifecycle £000	Interest £000	Finance Lease £000	Service £000	Lifecycle £000	Interest £000	Finance Lease £000
Within 1 year	3,229	1,458	3,477	2,713	3,309	4,073	3,360	291
2 to 5 years	13,742	5,884	11,926	13,411	14,086	2,829	10,686	17,442
6 to 10 years	18,175	4,522	6,584	25,018	14,522	3,503	4,464	20,696
11 to 15 years	0	0	0	0	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 2025/26.

	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 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**
Movement / Use of reserves during 2025/26	133	(11,132)	342	(196)	13,166	**2,313**
Balance at 31 March 2026 carried forward	**4,577**	**56,343**	**8,267**	**(56)**	**41,167**	**110,298**

Analysis of Earmarked General Fund Reserves

	1st April 2025 £000	Payments £000	Receipts £000	31st March 2026 £000
Pay related Costs Reserve	**10,996**	(454)	(469)	**10,073**
Capacity and ITS Fund	**3,459**	(1,732)	910	**2,637**
Afghan Relocation Scheme	**2,703**	(1,534)	1,146	**2,315**
Public Health Grant	**1,539**	(399)	387	**1,527**
Hadley PFI Sinking Fund	**2,248**	(13,436)	12,595	**1,407**
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 2026(2)	**24,823**	(15,741)	7,600	**16,682**
Total	**67,470**	**(33,296)**	**22,169**	**56,343**
Previous Year	**80,553**	**(40,219)**	**27,141**	**67,475**

1 These balances have been set aside to support the Medium-Term Financial Strategy. Due to uncertainties over the economic climate including inflationary/interest rate pressures and increasing demand for services, 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:

2024/25 Comparative £000		2025/26 £000
6,930	School Balances – Revenue	7,508
995	School Balances – Capital	759
7,925	**Total School Balances**	**8,267**

31. Unusable Reserves

2024/25 Comparative £000		2025/26 £000
178,893	Revaluation Reserve	164,865
114,955	Capital Adjustment Account	109,923
(6,791)	Financial Instruments Adjustment Account	(6,574)
(14,353)	Pensions Reserve	(4,631)
2,702	Collection Fund Adjustment Account	1,411
(1,840)	Accumulated Absences Account	(2,156)
(4,662)	Dedicated Schools Grant	(9,208)
268,904	**Total Unusable Reserves**	**253,630**

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.

2024/25 Comparative £000		2025/26 £000
171,237	**Balance brought forward**	**178,893**

2024/25 Comparative £000		2025/26 £000
10,767	Upwards revaluation of assets	(5,598)
0	Downward revaluations of assets and impairment losses not charged to the Surplus/Deficit on provision of services	0
(3,111)	Difference between fair value depreciation and historical cost depreciation	(3,224)
0	Accumulated gains and losses on assets sold or scrapped	(5,206)
178,893	**Balance carried forward**	**164,865**

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.

2024/25 Comparative £000		2025/26 £000
155,340	**Balance Brought Forward**	**114,955**
(59,176)	Charges for depreciation and impairment of non-current assets	(45,119)
(2,819)	Amortisation of intangible assets	(3,906)
(27,811)	Revenue expenditure funded from capital under statute	(17,272)
0	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	(14,722)
3,111	Adjustments in relation to the Revaluation Reserve	8,430
2,183 40,740	Capital financing - Capital receipts - Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	7,068 48,216
5,207	Minimum Revenue Provision	7,992
(1,820)	Movement in the market value of Investment Property debited or credited to the CIES Account	4,281
114,955	**Balance Carried Forward**	**109,923**

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.

2024/25 Comparative £000		2025/26 £000
(7,071)	**Balance Brought Forward**	**(6,791)**
280	Proportion of premiums/discounts incurred in previous financial years to be apportioned against the General Fund Balance in accordance with statutory requirements	217
0	Premium/discount on loan redemption	0
(6,791)	**Balance Carried Forward**	**(6,574)**

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 2025/26 on the Pension Reserve takes account of the asset ceiling required under the CIPFA Code, leaving just the value of the historical unfunded pension obligations at 31 March 2026. The statutory arrangements ensure that funding is set aside by the time the benefits come to be paid.

2024/25 Comparative £000		2025/26 £000
(17,389)	**Balance Brought Forward**	**(14,353)**
112,437	Actuarial (gains) or losses on pensions assets and liabilities	13,113
(475)	Added Years	(78)
(16,901)	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	(12,596)
19,366	Employer's pensions contributions and direct payments to pensioners payable in the year	19,826
(111,391)	Adjustment for Asset Ceiling Calculation*	(10,543)
(14,353)	**Balance Carried Forward (Liability)**	**(4,631)**

* 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.

2024/25 Comparative £000		2025/26 £000
637	**Balance Brought Forward**	**2,702**
2,065	Amount by which council tax and Non-Domestic Rate income credited to the CIES is different from council tax and Non-Domestic Rate income calculated for the year in accordance with statutory requirements	(1,291)
2,702	**Balance Carried Forward**	**1,411**

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.

2024/25 Comparative £000		2025/26 £000
(1,397)	**Balance Brought Forward**	**(1,840)**
1,397	Settlement or cancellation of accrual made at the end of the preceding year	1,840
(1,840)	Amounts accrued at the end of the current year	(2,156)
(1,840)	**Balance Carried Forward**	**(2,156)**
(443)	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	(316)

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 until the end of 2027/28.

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 2028, 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. This accounting practice has the effect of separating schools budget deficits from the local authorities' general fund balance.

2024/25 Comparative £000		2025/26 £000
(1,823)	**Balance Brought Forward**	**(4,662)**
(2,839)	(Over)/underspend on Dedicated Schools Grant in year	(4,546)
(4,662)	**Balance Carried Forward**	**(9,208)**

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 2025/26 expenditure on this totalled £17.272m. 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

2024/25 Comparative £000		2025/26 £000
0	**Balance Brought Forward**	**0**
2,183	Capital receipts received during year	7,068
(2,183)	Less Capital receipts used for financing during year	(7,068)
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 2026.

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.

2024/25 Comparative £000		2025/26 £000
555,727	**Opening Capital Financing Requirement**	**618,293**
17,529	Adjustment for historic Right of Use Assets	0
573,256	**Revised Opening Balance**	**618,293**
	Capital Investment	
43,199	Property, Plant & Equipment	87,597
368	Investment Property	0

2024/25 Comparative £000		2025/26 £000
257	Assets Held for Sale	118
4,351	Intangible Assets	0
114	Right of Use	140
27,811	Revenue Expenditure funded from Capital under Statute (REFCUS)	17,272
5,100	Long Term Investments	1,900
12,081	Capital Loans	6,260
	Sources of Finance	
(2,183)	Capital Receipts	(7,068)
(114)	Finance Leases & De Minimis Capital Expenditure	0
(40,740)	Government Grants and Other Contributions	(48,216)
(5,207)	Revenue Provision (NB: includes MRP)	(7,992)
618,293	**Closing Capital Finance Requirement**	**668,304**
62,566	Movement for Year	50,011
	Explanation of movements in the year	
62,566	Increase in underlying need to borrow (unsupported by Government financial assistance)	50,011

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:

2024/25 Comparative £000		2025/26 £000
4,558	Principal Repayment of external loans	6,947
649	Principal Repayment of leases	1,045
5,207	**Total**	**7,992**

36. Cash Flow Statement – Adjustments to net surplus or deficit on the provision of services for non-cash movements

2024/25 Comparative £000		2025/26 £000
(65,613)	Impairment and depreciation of property, plant and equipment and intangible assets	(45,108)
1,315	(Increase)/decrease in creditors	(10,729)
6,250	Increase/(decrease) in debtors	8,288
(22)	Increase/(decrease) in inventories	(15)
1,990	Pension Liability	7,152
0	Carrying amount of non-current assets and non-current asset held for sale, sold or derecognised	(14,722)
939	Other non-cash items charged to the net surplus or deficit on the provision of services	(5,374)
1,820	Movement in Investment Property values	4,645

2024/25 Comparative £000		2025/26 £000
(53,321)	**Total**	**(55,863**

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

2024/25 Comparative £000		2025/26 £000
2,183	Proceeds for the sale of Property, Plant & Equipment and Intangible Assets	7,068
40,740	Any other items for which the cash effects are investing or financing cash flow	48,216
42,923	**Total**	**55,284**

38. Cash Flow Statement – Investing Activities

2024/25 Comparative £000		2025/26 £000
48,358	Purchase of property, plant and equipment, investment property and intangible assets	90,568
5,100	Purchase of short-term and long-term investments	1,900
12,170	Other payments for investing activities	6,724
(2,183)	Proceeds from the sale of Property, Plant & Equipment and Intangible Assets	(7,068)
0	Proceeds from short-term and long-term investments	0
(47,447)	Other receipts from investing activities	(49,238)
15,998	**Net cash flows from investing activities**	**42,886**

39. Cash Flow Statement – Financing Activities

2024/25 Comparative £000		2025/26 £000
(267,001)	Cash receipts of short- and long-term borrowing	(264,000)
0	Other (receipts)/charges from financing activities	0
(1,138)	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI Contracts	3,715
203,422	Repayments of short- and long-term borrowing	206,243
(2,225)	Other payments for financing activities	0
(66,942)	**Net cash flows from financing activities**	**(54,042)**

40. Cash Flow Statement – Operating Activities

The cash flow for operating activities includes the following items:

2024/25 Comparative £000		2025/26 £000
(3,500)	Interest received	(5,133)
15,462	Interest paid	13,655

2024/25 Comparative £000		2025/26 £000
(302)	Dividend Received	(327)
11,660	**Net cash flows from operating activities**	**8,195**

41. Grant Income and Capital Contributions

The Authority credited the following grants, capital contributions and donations to the Comprehensive Income and Expenditure Statement:

2024/25 Comparative £000		2025/26 £000
	Revenue Grants Credited to Taxation and Non-Specific Grant Income	
12,393	Revenue Support Grant	12,689
5,988	Non-Domestic Rates Top Up Grant	6,089
13,290	Section 31 Grant	11,975
31,671	**Total Revenue Grants**	**30,753**
	Capital Grants & Contributions Credited to Taxation and Non-Specific Grant Income	
2,464	Pot Hole Funding	8,435
2,843	Disabled Facilities Grant	2,724
4,235	Schools Standards Fund	18,935
3,341	Local Transport Plan	6,890
13,799	Towns Fund (and other DLUHC Capital Grants)	9,664
1,511	Section 106 Contributions	8,989
258	Contributions from Reserves / Balances	835
7,641	Land Deal	1,976
5,046	Other Capital Grants (balances less than £1m as at 31 March 2026)	2,933
41,138	**Total Capital Grants & Contributions**	**61,381**
72,809	**Total Grants & Contributions – Credited to Taxation and Non-Specific Grant Income**	**92,134**
	Revenue Grants Credited to Services	
123,238	Dedicated Schools Grant	135,543
49,730	Mandatory Rent Allowances Subsidy	43,957
17,529	Adult Social Care	20,619
14,102	Public Health Grant	14,960
9,651	Improved Better Care Fund	9,651
6,956	Pupil Premium Grant	6,539
4,066	SEND & AP Change Grant	3,477
0	ERP Grant	3,269
0	Recovery Grant	3,094
2,790	Asylum Seekers	2,831
3,386	Market Sustainability	2,823
1,814	Core Schools' Budget Grant	2,359
2,045	New Home Bonus	2,122
0	Employer NI Contribution Grant	1,588
1,684	Public Transport Services	1,546
0	Family First Grant	1,545
1,100	Afghan Resettlement Programme	1,513

2024/25 Comparative £000		2025/26 £000
0	Children's and Family Grant	1,501
1,551	Universal Free School Meals	1,453
2,322	UKSPF 2022-25 Grant	1,351
0	National Insurance Grant	1,336
1,079	Family Hubs	1,086
21,191	Other grants (balances less than £1m as at 31 March 2026)	18,488
264,234	**Total Revenue Grants Credited to Services**	**282,651**
337,043	**Total Grant Income & Other Capital Contributions**	**374,785**

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:

2024/25 Comparative £000		2025/26 £000
	Capital Grants Receipts in Advance	
1,611	Standards Fund	1,611
276	Midlands Energy Hub	0
(45)	Air Quality Grant	0
1,811	Sustainable modes of transport	2,532
3,653	**Total**	**4,143**

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 2025/26

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 2026/27.

2024/25 Comparative £000	Better Care Fund Revenue Pooled Budget	2025/26 £000
98	**Surplus Brought Forward**	**399**
11,384	Funding from Telford & Wrekin Council	11,815
18,698	Funding from Shropshire, Telford and Wrekin Integrated Care Board	19,207
(22,667)	Expenditure met from pooled budget Telford & Wrekin Council	(24,103)
(7,114)	Expenditure met from pooled budget Telford & Wrekin Clinical Commissioning Group	(7,207)
399	**Net Surplus/(Deficit) arising on Pooled budget carried forward**	**111**

Better Care Fund where Telford & Wrekin Council was the host in 2025/26

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 2025/26 will be retained in the fund and carried forward by the council into 2026/27.

2024/25 Comparative £000	Better Care Fund Capital Pooled Budget	2025/26 £000
30	**Surplus Brought Forward**	**30**
2,862	Funding from Telford & Wrekin Council	3,063
(2,862)	Expenditure met from pooled budget Telford & Wrekin Council	(3,063)
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.

2024/25 Comparative £000	Better Care Fund Revenue Pooled Budget	2025/26 £000
0	**Net Surplus/(Deficit) arising on Pooled budget brought forward**	**(516)**
123	Funding from Telford & Wrekin Council	284
422	Funding from Shropshire Council	477
4,006	Funding from Shropshire, Telford and Wrekin Integrated Care Board	4,744
(126)	Expenditure met from pooled budget Telford & Wrekin Council	(311)
(472)	Expenditure met from pooled budget Shropshire Council	(380)

2024/25 Comparative £000	Better Care Fund Revenue Pooled Budget	2025/26 £000
(4,469)	Expenditure met from pooled budget Shropshire, Telford and Wrekin Integrated Care Board	(4,464)
(516)	**Net Surplus/(Deficit) arising on Pooled budget carried forward**	**(166)**

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.

2024/25 Comparative £000		2025/26 £000
1,001	Allowances	1,001
0	Expenses	0
1,001	**Total**	**1,001**

44. Senior Officers' Remuneration & Employee Remuneration in Bands

This note shows the amounts paid to Senior Officers in 2025/26 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).

2025/26

Post Holder Information (Post title)	*Note*	Annualised salary £	Salary, Fees & Allowances £	Compensation for Loss of Office £	Total Remuneration excluding Pension contributions 2025/26 £	Pension contributions £	Total Remuneration including pension contributions 2025/26 £
Current Posts							
Chief Executive (David Sidaway)			182,523	0	**182,523**	30,803	**213,326**
Executive Director: Children's Services & Public Health			162,914	0	**162,914**	26,238	**189,152**
Executive Director: Place	*1*	141,531	77,056	0	**77,056**	13,254	**90,309**
Executive Director: Adult Social Care, Housing & Customer Services			134,924	0	**134,924**	23,207	**158,131**
Director: Finance, People & IDT			103,839	0	**103,839**	17,860	**121,699**
Director: Prosperity & Investment			110,616	0	**110,616**	19,026	**129,642**
Director: Education & Skills	*2*	103,839	10,508	0	**10,508**	1,807	**12,315**
Director: Children's Safeguarding & Family Support			110,616	0	**110,616**	19,026	**129,642**
Director: Adult Social Care	*3*	103,839	22,889	0	**22,889**	3,937	**26,826**
Director: Neighbourhood & Enforcement Services			110,616	0	**110,616**	16,920	**127,536**
Director: Housing, Commercial & Customer Services			110,616	0	**110,616**	19,026	**129,642**
Director: Policy & Governance			110,616	0	**110,616**	19,026	**129,642**
Director: Health & Wellbeing	*4*		103,839	0	**103,839**	14,932	**118,771**
Executive Director: Place	*5*	138,226	12,098	0	**12,098**	0	**12,098**
Director: Adult Social Care	*6*	119,704	110,236	10,000	**120,236**	12,925	**133,162**
Director: Education & Skills	*7*	110,616	99,423	0	**99,423**	15,878	**115,301**
			1,573,329	**10,000**	**1,583,329**	**253,865**	**1,837,194**

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) 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
7) This post holder left part way through the year

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)			176,782	0	**176,782**	29,848	**206,630**
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	99,530	0	**99,530**	14,312	**113,842**
Executive Director: Adult Social Care, Health Integration & Wellbeing	*5*	130,740	2,178	95,000	**97,178**	375	**97,553**
Director: Health & Wellbeing	*6*	105,818	4,224	75,000	**79,224**	607	**79,831**
			1,504,739	**170,000**	**1,674,739**	**239,019**	**1,913,758**

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.

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 2024/25	Salary Band	Number of Employees 2025/26
74	£50,000 - £54,999	158
57	£55,000 - £59,999	103
25	£60,000 - £64,999	30
16	£65,000 - £69,999	18
41	£70,000 - £74,999	35
14	£75,000 - £79,999	17
7	£80,000 - £84,999	8
7	£85,000 - £89,999	9
2	£90,000 - £94,999	2
3	£95,000 - £99,999	3
2	£100,000 - £104,999	3
0	£105,000 - £109,999	1
1	£110,000 - £114,999	0
1	£115,000 - £119,999	0
0	£120,000 - £124,999	0
	⬇	
0	£160,000 - £164,999	0

The 2025/26 figures include 208 school-based employees (122 in 2024/25). Note 45 – Exit Packages, includes the number of exit packages and costs of compulsory and other redundancies included in the 2025/26 financial statements.

45. Exit Packages

The number and cost of exit packages for compulsory and other departures included in the 2025/26 accounts are shown below, along with comparative information for 2024/25. Note where actual costs were higher than those included in the provision in the 2024/25 SOA, the difference is included in the 2025/26 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	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
							£	£
£0 - £20,000	6	4	20	18	26	31	167,856	172,053
£20,001 - £40,000	0	0	2	4	2	3	58,479	80,813
£40,001 - £60,000	0	0	0	2	0	2	0	104,999
£60,001 - £80,000	0	0	2	2	2	2	149,630	130,029
£80,001 - £100,000	0	0	2	0	2	0	173,971	0
£100,001 - £150,000	0	0	1	0	1	0	132,466	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	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
							£	£
£150,001 - £200,000	0	0	0	0	0	0	0	0
£200,001 - £250,000	0	0	0	0	0	0	0	0
Total	**6**	**4**	**27**	**26**	**33**	**30**	**682,402**	**487,894**

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 2025/26	415,722	72,172	487,894
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 2026 (i.e. Employees who had received formal notice at 31 March 2026 and will leave during 2026/27)	0	0	0
Total	**415,722**	**72,172**	**487,894**

* Charges made by Shropshire Pension Fund in respect of early payment of pensions.

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:

2024/25 Comparative £000		2025/26 £000
338	Fees payable with regard to external audit services	343
86	Fees payable in respect of additional work and final fee adjustments (2020/21-2023/24)	15
4	Fees payable to Cabinet Office in respect of statutory inspection	0
(86)	Government Grant	(42)
342	**Total**	**316**

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 2025/26 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 2025/26 is £31,059 including £14,000 awarded in grant funding.

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 2025/26 was £34,445.

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 £268,969 which includes the payment of rental incomes, £230,229, collected by the Council on behalf of the Trust. None of the Councillors receives remuneration or personal benefit for this role.

Councillor Paul Davis is a Council appointed Trustee for both Telford & Wrekin CVS and Meeting Point House. The value of transactions between the Council and Telford & Wrekin CVS was £595,078, including £6,170 awarded in grants and £587,065 in payments awarded in support of advice and guidance services to the community. The value of contracts between the Council and Meeting Point Trust was £79,201.

Councillor Rajash Mehta is Chair of the Telford & Wrekin Interfaith Council. The value of transactions during 2025/26 between the Council and the Interfaith Council was £33,470, including grant funding of £3,250 and £30,000 to delivery out of hours emergency food services.

Councillors Helena Morgan and Kelly Middleton are Trustees for the Park Lane Centre as the Councils nominated representative. The value of transactions between the Council and the organisation was £25,142, which includes £4,418 awarded in grants.

Councillor Angela McClements is a Director of YMCA Wellington. The value of transactions between the Council and YMCA Wellington were £134,341 including payments awarded in support of Child Sexual Exploitation, 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 £67,388, including £20,110 awarded in grant funding to the Foundation.

Councillor Stephen Handley is Chairperson of the Belmont Community Hall. The value of transactions between the Council and Belmont Community Hall was £2,947 including the awarding of grant funding of £2,785. Cllr Handley is treasure to St Georges Partnership.

The value of transactions between the Council and St Georges Partnership was £2,000, all of which was grant funding.

Councillor Stephen Burrell is a Director of Peace of Mind Homecare a company that provided services to the Council through service contracts and received £336,149 in 2025/26.

Councillor Stephen Bentley manages Waters Upton Stores in Telford which receives 100% Rural Rate Relief in line with national legislation and Council Policy.

Councillor Erin Aston is a Trustee of Telford Crisis Support, an independent, volunteer led support charity centred around core food bank services. The value of transaction between the Council and charity was £85,210.

Councillor Fiona Doran is the Chairperson of Challenging Perceptions, a charity based in Telford that provides peer support, advocacy and activities for children & young people with mental health, learning disabilities and autism. The value of transaction between the Council and charity was £59,478.

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 £2,595,761 which includes –

- £760,120 on Grants provided by the Council to Parish and Town Councils, and
- £1,097,918 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 2025/26 the company had a Profit Before Taxation of £0.871m (£0.687m in 2024/25) and Net Assets of £64.846m (£59.213m in 2024/25). 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 153-166.

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 2025/26 £68.517m had been drawn down (£62.257m in 2024/25). Interest repayments of £3.452m were made by Nuplace Ltd in 2025/26. The loans are interest only and the principal is repayable at the end of their term.

The Council had acquired £29.2m of equity in Nuplace Ltd by the end of 2025/26 (£27.3m in 2024/25) and received a dividend in year of £0.327m.

During 2025/26 Nuplace Ltd purchased net services of £2m from the Council (£1.613m in 2024/25).

48. Leases & Right of Use Assets

Council as lessee

The Council adopted IFRS 16 - Leases from 1 April 2024, see Accounting Policy (q) Leases on page 76.

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 2026.

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Total £000
Net Book Value Brought Forward	**10,838**	**1,094**	**11,932**
Additions	0	642	**642**
Revaluations	0	0	**0**
Depreciation & Amortisation	(455)	(590)	**(1,045)**
Transfers (to)/from Property, Plant & Equipment	0	0	**0**
Disposals	0	0	**0**
Net Book Value 31 March 2026	**10,383**	**1,146**	**11,529**

The Council incurred the following expenses and cash flows in relation to leases.

2024/25 Comparative £000		2025/26 £000
	Comprehensive Income & Expenditure Statement	
519	Interest expense on lease liability	531
	Cash Flow Statement	
1,144	Minimum lease payment	1,045

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments).

2024/25 Comparative £000		2025/26 £000
1,496	Less than one year	630
3,460	One to five years	884
11,733	More than five years	8,230
16,689	**Total undiscounted liabilities**	**9,744**

Hire Purchase Contracts

During 2025/26 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 2025/26 amounted to £13.79m (£12.921m for 2024/25). See also Note 15a & 15b in respect of the valuation of these assets (Property Investment Portfolio/Investment Property).

49. Contingent Liabilities

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).

Care Provision

The Council has received a pre-legal letter from a care provider claiming retrospective care fees. The claim is in respect of a client in their care under a standard care contract; however, the client spent a period in hospital. On the basis that the claim is not yet a formal legal claim and the Council have reasonable negotiation and defence argument, it is not possible at this stage to make a reliable estimate of the amount of the obligation. This being the case a contingent liability is being included in the accounts, in line with the Code of Practice on Local Authority Accounting.

50. Contingent Assets

At 31st March 2026, the Authority had no material contingent assets.

51. Special Fund Revenue Account

2024/25 Comparative Net Expenditure £000		2025/26 Gross Expenditure £000	Income £000	Approved use of Balances £000	Net Expenditure £000
	Expenditure on Services				
(33)	Cemeteries	318	(333)	0	(15)
757	Footway Lighting	754	(10)	0	744
724	**Total expenditure on**	**1,072**	**(343)**	**0**	**729**
	Income				
(792)	Council Tax				(853)
(68)	**(Surplus) or deficit for year**				**(124)**
	Special Fund				
(475)	**Balance at beginning of the**				**(327)**
216	Approved use of Reserve for the				0
(68)	(Surplus) or deficit				(124)
(327)	**Balance at end**				**(451)**

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

The Council has two soft loans –

1. **AFC Telford United**
   During 2015/16 the Council advanced a loan for 40 years to AFC Telford United to fund a new fire alarm system at the ground.

2. **Telford Hockey Club**
   In 2021/22 the Council advanced a loan for 25 years to Telford Hockey Club to fund the replacement of the playing surface at the club.

Details of the 2 loans are as follows –

Ref	Loan advanced (£)	Interest Rate	Balance at 31/03/2026 (£)	Fair Value at 31/03/2026 (£)	Notional charge to I&E (£)
1.	45,000	4.66%	39,855	17,055	22,800
2.	50,000	1.86%	42,000	13,989	28,011

53. Building Control Account 2025/26

	Chargeable £000	Non-Chargeable £000	Total Building Control £000
Expenditure			
Employee Expenses	202	268	470
Support Services	310	411	721
	512	**679**	**1,191**
Income			
Building Regulation Charges	(568)	(53)	(621)
(Surplus)/Deficit	**(56)**	**626**	**570**
(Surplus)/Deficit B/Fwd	**(100)**		
(Surplus)/Deficit C/Fwd	**(156)**		

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 2025/26 indicates the following:

	General Fund		Education	
	2024/25 Comparative £000	2025/26 £000	2024/25 Comparative £000	2025/26 £000
Balance b/f	**850**	**576**	**250**	**250**
Charges in the Year	(274)	0	0	0
Transfers to other reserves	0	0	0	0
Contributions	0	0	0	0
Balance c/f	**576**	**576**	**250**	**250**

The charges relate to additional premium costs and excesses and the contributions to interest as well as contributions from services.

For 2025/26 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 2025/26 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 25.69%. 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 2025/26 was £160.63m, of which £4.749m related to charges to the Council which are included in the CIES. Comparative values for 2024/25 were turnover of £178.323m, of which £5.717m related to charges recognised in the CIES.

Extract from WME Balance Sheet	2025/26 £000	Telford & Wrekin Share £000
Long Term Assets		
Property Lease	90	23
Property, Plant & Equipment	13	3
Other Long-Term Assets	0	0
Current Assets		
Short Term Debtors	31,319	8,047
Cash and Cash Equivalents	15,723	4,039
Current Liabilities		
Short Term Creditors	(43,089)	(11,070)
Long Term Assets		
Long Term Lease Finance	(75)	(19)
Defined Benefit Pension – surplus/(deficit)	301	77
Long Term Liabilities		

Extract from WME Balance Sheet	2025/26 £000	Telford & Wrekin Share £000
Other Long-Term Liabilities	0	0
Total Assets Less Liabilities	**4,282**	**1,100**
Financed By		
General Fund	1,778	457
Net Operating surplus	2,187	562
Capital Adjustment Account	16	4
Pension Reserve	301	77
Total Reserves	**4,282**	**1,100**

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 2025/26 was £0.688m (2024/25 £0.651m).

2025/26

COLLECTION FUND ACCOUNT

Collection Fund Account 2025/26

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		130,571	**130,571**
Business Rates Receivable	79,172		**79,172**
Transition Protection Payments Receivable	275	0	**275**
	79,447	**130,571**	**210,018**
EXPENDITURE			
Apportionment of prior year surplus / (deficit)			
Central Government	35		**35**
Telford & Wrekin Council	34	2,649	**2,683**
West Mercia Police Authority		447	**447**
Shropshire & Wrekin Fire Authority	1	246	**247**
	70	**3,342**	**3,412**
Precepts & Demands			
Central Government	39,641		**39,641**
Telford & Wrekin Council	38,849	93,858	**132,707**
West Mercia Police Authority		16,955	**16,955**
Shropshire & Wrekin Fire Authority	793	6,948	**7,741**
Parish / Town Councils		7,071	**7,071**
	79,283	**124,832**	**204,115**
Charges to Collection Fund			
Write offs of uncollectable amounts	605	668	**1,273**
Increase / (decrease) in provision	2,705	713	**3,418**
Cost of collection	219	640	**859**
	3,529	**2,021**	**5,550**
Surplus / (Deficit) arising during the year	**(3,435)**	**376**	**(3,059)**
Surplus / (Deficit) b/fwd 1st April 2025	(415)	3,708	**3,293**
Surplus / (Deficit) c/fwd 31st March 2026	**(3,850)**	**4,084**	**234**

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 2026, the total non-domestic rateable value for all business premises in Telford & Wrekin was £194,018,966 (£196,198,634 at 31 March 2025).

The multipliers set by Government to calculate rate bills in 2025/26 were 55.5p standard (Rateable Value £51,000 or over) and 49.9p small business (Rateable Value under £51,000).

2024/25 Comparative £000		2025/26 £000
79,612	Gross yield for the year	76,088
615	Adjustments for Reductions & Transitional Relief	3,359
80,227	**Total**	**79,447**

CF2. Allocation of Fund Balance (NDR)

2024/25 Comparative £000		2025/26 £000
(203)	Telford & Wrekin Council	(1,887)
(4)	Shropshire Fire Service	(39)
(208)	Central Government	(1,924)
(415)	**Total Surplus / (Deficit)**	**(3,850)**

CF3. Council Tax Base for 2025/26

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.

2024/25 Equivalent Band D Dwellings		Number of Dwellings	Discounted Dwellings	Net Dwellings	2025/26 Equivalent Band D Dwellings
11,868.6	Band A	26,921.0	(8,566.2)	18,354.8	12,225.1
13,596.2	Band B	22,738.0	(4,825.8)	17,912.2	13,931.7
10,826.2	Band C	14,712.0	(2,103.0)	12,609.0	11,208.0
8,870.7	Band D	9,947.0	(860.1)	9,086.9	9,086.9
6,412.1	Band E	5,775.0	(394.5)	5,380.5	6,576.1
3,371.8	Band F	2,535.0	(152.2)	2,385.8	3,446.2
1,818.6	Band G	1,202.0	(63.9)	1,138.1	1,896.8
81.0	Band H	53.0	(11.0)	42.0	84.0
56,845.2	**TOTAL**	**83,883.0**	**(16,973.7)**	**66,909.3**	**58,454.8**
(271.4)	Adjustments for growth and losses				(290.1)
56,573.8	**Tax base for year**				**58,164.7**
£2,037.48	Average Council Tax for year				£2,146.18

2024/25 Comparative £000		2025/26 £000
115,268	Gross Yield	124,832
4,260	Add increase in debit net of exemptions and reliefs	5,739
119,528		**130,571**

CF4. Allocation of Fund Balance (Council Tax)

2024/25 Comparative £000		2025/26 £000
2,946	Telford & Wrekin Council	3,301
496	West Mercia Police Authority	555
266	Shropshire Fire Authority	228
3,708	**Total Surplus / (Deficit)**	**4,084**

2025/26
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 2025/26.

The group financial statements are presented in accordance with the IFRS based Code.

Nuplace Ltd's property assets were valued on 31st March 2026 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 – 2025/26 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.

2025/26 was the tenth 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 2026, Nuplace'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.

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.

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 2.63% (£3.4m) over all completed

sites. The total value of fixed assets on Nuplace Ltd's Balance Sheet at 31 March 2026 is £135.4m.

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 2025/26 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 30 September 2025, totalling £327,600. The company 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 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.

2025/26
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.

2024/25 Comparative				2025/26		
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**
77,787	(2,365)	75,422	Adult Social Care	89,960	(5,125)	84,835
49,335	(4,033)	45,302	Children's Safeguarding & Family Support	53,238	(3,877)	49,361
0	782	782	Corporate Communications	59	708	767
(11,127)	2,782	(8,345)	Council Wide	14,816	(30,657)	(15,841)
6,958	32,330	39,288	Education & Skills	(7,201)	33,128	25,927
12,495	3,561	16,056	Finance, People & IDT	10,789	6,129	16,918
403	158	561	Health & Wellbeing	582	(1,078)	(496)
4,377	(1,348)	3,029	Housing, Customer & Commercial Services	6,937	(4,101)	2,836
26,114	7,004	33,118	Neighbourhood & Enforcement Services	17,093	12,949	30,042
1,429	3,969	5,398	Policy & Governance	1,639	3,340	4,979
(10,098)	46,723	36,625	Prosperity & Investment	(20,491)	36,503	16,012
157,673	**89,563**	**247,236**	**Net Cost of Services**	**167,421**	**47,919**	**215,340**
(157,678)	(32,314)	(189,992)	Other Income & Expenditure	(167,827)	(37,853)	(205,680)
(5)	**57,249**	**57,244**	**(Surplus) or Deficit**	**(406)**	**10,006**	**9,660**
3,429			**Opening General Fund Balance**	**3,218**		
5			Surplus of (Deficit) for year	406		
(216)			Other approved uses	0		
3,218			**Closing General Fund Balance**	**3,624**		

2025/26
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	2024/25 Comparative			2025/26		
	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000
Adult Social Care	124,312	48,890	75,422	136,810	51,975	84,835
Children's Safeguarding & Family Support	59,696	14,394	45,302	66,909	17,548	49,361
Corporate Communications	823	41	782	814	47	767
Council Wide	15,010	23,355	(8,345)	15,014	30,855	(15,841)
Education & Skills	193,277	153,989	39,288	190,882	164,955	25,927
Finance, People & IDT	23,257	7,201	16,056	23,842	6,924	16,918
Health & Wellbeing	11,423	10,862	561	11,411	11,907	(496)
Housing, Customer & Commercial Service	83,555	80,526	3,029	78,855	76,019	2,836
Neighbourhood & Enforcement Services	47,081	13,963	33,118	49,815	19,773	30,042
Policy & Governance	8,480	3,082	5,398	7,598	2,619	4,979
Prosperity & Investment	66,026	29,401	36,625	43,722	27,710	16,012
Net Cost of Services	**632,940**	**385,704**	**247,236**	**625,672**	**410,332**	**215,340**
Other Operating Expenditure			3,989			14,869
Financing and Investment Income and Expenditure			13,072			12,954
Taxation & Non-Specific Grant Income and Expenditure			(207,053)			(233,503)
(Surplus) or deficit on provision of services (GN2)			**57,244**			**9,660**
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			(16,389)			2,126
(Surplus) or deficit on revaluation of Available for Sale Financial Assets			0			0
Re-measurements of the net defined benefit pension liability			(1,046)			(2,150)
Other Comprehensive Income & Expenditure			**(17,435)**			**(444)**
Total Comprehensive Income and Expenditure			**39,809**			**9,216**

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 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	**42,441**	(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**
Total Comprehensive Income and Expenditure Surplus / (Deficit)	(3,361)	0	**(3,361)**	(9,600)	**(12,961)**	3,745	**(9,216)**
Adjustments between accounting basis & funding basis under regulations	(7,491)	13,165	**5,674**	(5,674)	**0**	0	**0**
Increase/ (Decrease) in 2025/26	**(10,852)**	**13,165**	**2,313**	**(15,274)**	**(12,961)**	**3,745**	**(9,216)**
Balance at 31st March 2026 Carried Fwd	**69,131**	**41,167**	**110,298**	**253,630**	**363,928**	**33,456**	**397,384**

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 2025 Comparative £000		Note	31 March 2026 £000
869,014	Property, Plant & Equipment	GN3	905,783
11,932	Right of Use Assets		11,529
48,763	Investment Property		52,311
7,887	Intangible Assets		3,982
0	Long Term Investments		0
862	Long Term Debtors		1,326
938,458	**Total Long-Term Assets**		**974,931**
230	Inventories		218
58,223	Debtors		66,098
1,536	Assets Held for Sale		1,615
24,420	Cash and Cash Equivalents		25,329
84,409	**Current Assets**		**93,260**
(2,783)	Provisions		(3,940)
(187,257)	Short term Borrowing		(196,576)
(104,446)	Creditors		(110,600)
(294,486)	**Current Liabilities**		**(311,116)**
(210,077)	**Net Current Assets/(Liabilities)**		**(217,856)**
(247,646)	Less Long-Term Borrowing		(296,084)
(56,129)	Less Long-Term Creditors		(54,833)
(14,353)	Less Pensions Liability		(4,631)
(3,653)	Capital Grants Receipts in Advance		(4,143)
(321,781)	**Long Term Liabilities**		**(359,691)**
406,600	**Net Assets**		**397,384**
107,939	Useable Reserves		110,525
298,661	Unusable Reserves		286,859
406,600	**Net Reserves**		**397,384**

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.

2024/25 Comparative £000		2025/26 £000
57,244	Net (surplus) or deficit on the provision of services	9,660
(53,103)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(55,957)
42,923	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	55,284
47,064	**Net cash flows from Operating Activities**	**8,987**
14,762	Investing Activities	43,830
(67,507)	Financing Activities	(53,726)
(5,681)	**Net (increase) or decrease in cash and cash equivalents**	**(909)**
18,739	Cash and cash equivalents at the beginning of the reporting period	24,420
24,420	Cash and cash equivalents at the end of the reporting period	25,329

Notes to the Group Financial Statements

Group Note 1. Accounting Policies

a) General

The single entity accounting policies are detailed on pages 66-82 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 2026. 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. Reconciliation of the Single Entity Deficit on Provision of Services to the Group Deficit

2024/25 Comparative £000		2025/26 £000
57,158	**Deficit/(Surplus) from the Single Entity Accounts (page 62)**	**9,933**
(448)	Deficit/(Surplus) contained within Subsidiary Accounts	(588)
534	Removal of Trading Surpluses from Single Entity Accounts	315
57,244	**Deficit/(Surplus) in Group Accounts (page 159)**	**9,660**

Group Note 3. 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 £000	Vehicles, Plant, Furniture & Equipment £000	Assets Under Construction £000	Surplus Assets £000	Total Property, Plant and Equipment £000
Gross Book Value Brought Forward	**602,900**	**41,860**	**30,626**	**7,739**	**683,125**
Additions	36,704	5,181	37,585	33	**79,503**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(2,629)	0	0	0	**(2,629)**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(24,731)	0	0	0	**(24,731)**
Derecognition – disposals	(14,708)	0	(158)	0	**(14,866)**
Assets reclassified (to)/from PPE	1,266	0	(1,266)	0	**0**
Assets reclassified (to)/from Investment Properties	1,097	0	0	0	**1,097**
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	0	0	0	**0**
Gross Book Value at 31 March 2026	**599,899**	**47,041**	**66,787**	**7,772**	**721,499**
Less Accumulated Depreciation					
Balance Brought Forward	**15,307**	**38,579**	**0**	**0**	**53,886**
Depreciation charge	12,051	833	0	0	**12,884**
Depreciation written out to the Revaluation Reserve	(503)	0	0	0	**(503)**
Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	(1,075)	0	0	0	**(1,075)**
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 2026	**25,780**	**39,412**	**0**	**0**	**65,192**
Net Book Value					
at 31 March 2026	**574,119**	**7,629**	**66,787**	**7,772**	**656,307**
at 31 March 2025	**587,593**	**3,282**	**30,626**	**7,739**	**629,240**
Nature of Holding as 31 March 2026					
Owned	432,020	7,629	57,507	7,772	**504,928**
Subsidiary	123,937	0	9,280	0	**133,217**
PFI	18,162	0	0	0	**18,162**
Total	**574,119**	**7,629**	**66,787**	**7,772**	**656,307**

Comparative year: 2024/25

	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Assets Under Construction £000	Surplus Assets £000	Total Property, Plant and Equipment £000
Gross Book Value Brought Forward	**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**
Nature of Holding as 31 March 2024					
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**

Property Plant & Equipment Reconciliation to Balance Sheet

2024/25 Comparative £000		2025/26 £000
239,774	Infrastructure Assets (Single Entity Accounts only)	249,476
629,240	Other PPE assets (Group Accounts)	656,307
869,014	**Total PPE Assets as per Balance Sheet**	**905,783**

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 & 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.