

# **Telford & Wrekin Council**

## **Audited Statement of Accounts**

### **2024/25**

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**Telford & Wrekin Council**

**Audited Statement of Accounts**

**2024/25**

**Financial Statements**

**Narrative Report**

The Narrative Report provides a summary of the Council's performance for 2024/25 and complements 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 2024/25
  - Workforce Analysis
- B. Governance & Transparency
- C. Operational Model
- D. Risks and Opportunities
- E. Performance
  - Revenue Outturn for 2024/25
  - Service Issues Highlighted during 2024/25
  - IAS Note 19 – Retirement Benefits
  - Capital Outturn 2024/25
  - Provisions
  - Achievements & Measures of Success during 2024/25
- 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	<a href="#">Introduction - Council Plan and priorities - Telford &amp; Wrekin Council</a>
10-year vision	<a href="#">Telford Vision 2032 - Telford &amp; Wrekin Council</a>

## **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 2025

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**

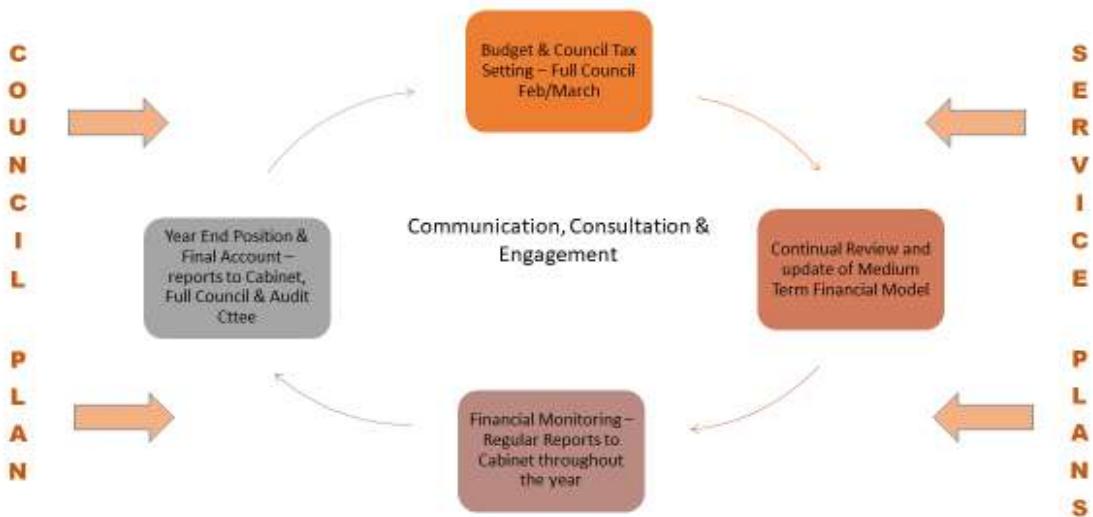
The Borough has a diverse manufacturing sector, a flourishing tourism sector and research and development facilities. There is a strong focus on manufacturing with other important sectors being advanced engineering, food and drink, construction, education and retail.

An estimated 93,000 people were employed in the Borough at the end of 2024.

There were 7,075 business units, in VAT and/or PAYE based enterprises in the Borough in 2024, an increase from 7,045 in 2023.

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 £800m 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 2024/25**

The Council has a rolling Medium-Term Financial planning process. This was updated for 2024/25 formally by reports to the Council's Cabinet in January and February 2024 with final decisions taken at Full Council on 29 February 2024.

The decisions on the medium-term budget strategy at Full Council reflected the outcome of consultation following publication of the budget proposals on the 4 January 2024.

The provisional funding settlement for 2024/25 was announced, on the 18 December 2023, followed by the final settlement on the 5 February 2024. Overall settlement saw Revenue Support Grant increasing by 6.7% (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 £156.9m of savings since 2009/10 further savings of £17.6m were required in 2024/25.

The agreed strategy for 2024/25 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 £17.6m in savings / additional income from general fund budgets
- £5.9m net investment into Adult Social Care in 2024/25
- £7.6m net investment into Children's Safeguarding in 2024/25
- 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 2024/25, 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 2024/25 (Band B) was £1,195 per year (Band B is the typical band for Telford & Wrekin, Band D is £1,537). The Council had the lowest Council Tax out of all Councils areas in the Midlands region for the services which we provide.

2024/25 Budgeted Net Revenue Spend		
2024/25 Total Net Revenue Spend	£m	%
Funded From:		
Government Grant (RSG and 'Top Up' Grant)	<b>18.279</b>	<b>12%</b>
Retained Business Rates/Section 31 Grant	<b>50.648</b>	<b>32%</b>
Council Tax	<b>86.953</b>	<b>55%</b>
Collection Fund	<b>1.416</b>	<b>1%</b>
<b>Total Funding</b>	<b>157.296</b>	<b>100%</b>

## 5. Workforce Analysis

	31 March 2024		31 March 2025	
	Head count	FTE	Head count	FTE
Male	715	617.7	715	616.5
Female	2,084	1,550.1	2,101	1,572.1
<b>Total</b>	<b>2,799</b>	<b>2,167.8</b>	<b>2,816</b>	<b>2,188.6</b>

Workforce Information	<a href="#">Introduction - Workforce information - Telford &amp; Wrekin Council</a>
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## B. GOVERNANCE & TRANSPARENCY

The 2024/25 Annual Governance Statement is included within the Statement of Accounts – see page 32. 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 2024/25, 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	<a href="#">Expenditure over £100 - Expenditure over £100 - Telford &amp; Wrekin Council</a>
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## **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 2,600 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 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 2024/25 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 <ul style="list-style-type: none"><li>match available resources (financial, people and assets) with statutory obligations, agreed priorities and service standards</li><li>deliver the financial strategy including capital receipts, savings and commercial income</li><li>fund organisational and cultural development in the Council with the constraints of the public sector economy</li></ul>
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 [Child sexual exploitation \(CSE\) - Telford & Wrekin Council](#). 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 [Two+Year+Review+Report+-+16+July+2024.pdf](#).

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 2024/25 – Appendix 14 <a href="#"><u>Agenda item - Medium Term Financial Strategy 2024/25 – 2027/28 - Telford &amp; Wrekin Council</u></a> Budget 2025/26 – Full Council 27 February 2025 <a href="#"><u>Appendix 14 Strategic Risk Register.pdf</u></a>
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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 Everyday Telford App

## **E. PERFORMANCE**

The core elements of the Council’s corporate planning framework in place during 2024/25 were:

- **Council Plan 2024/25 to 2026/27** – 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	<a href="#">Introduction - Council Plan and priorities - Telford &amp; Wrekin Council</a>
Medium Term Financial Strategy	Budget 2024/25 – Full Council 29 February 2024 <a href="#">Agenda item - Medium Term Financial Strategy 2024/25 – 2027/28 - Telford &amp; Wrekin Council</a>
Corporate Risk Register	Budget 2024/25 – Appendix 14 <a href="#">Agenda item - Medium Term Financial Strategy 2024/25 – 2027/28 - Telford &amp; Wrekin Council</a>

## **1. Revenue Outturn for 2024/25**

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

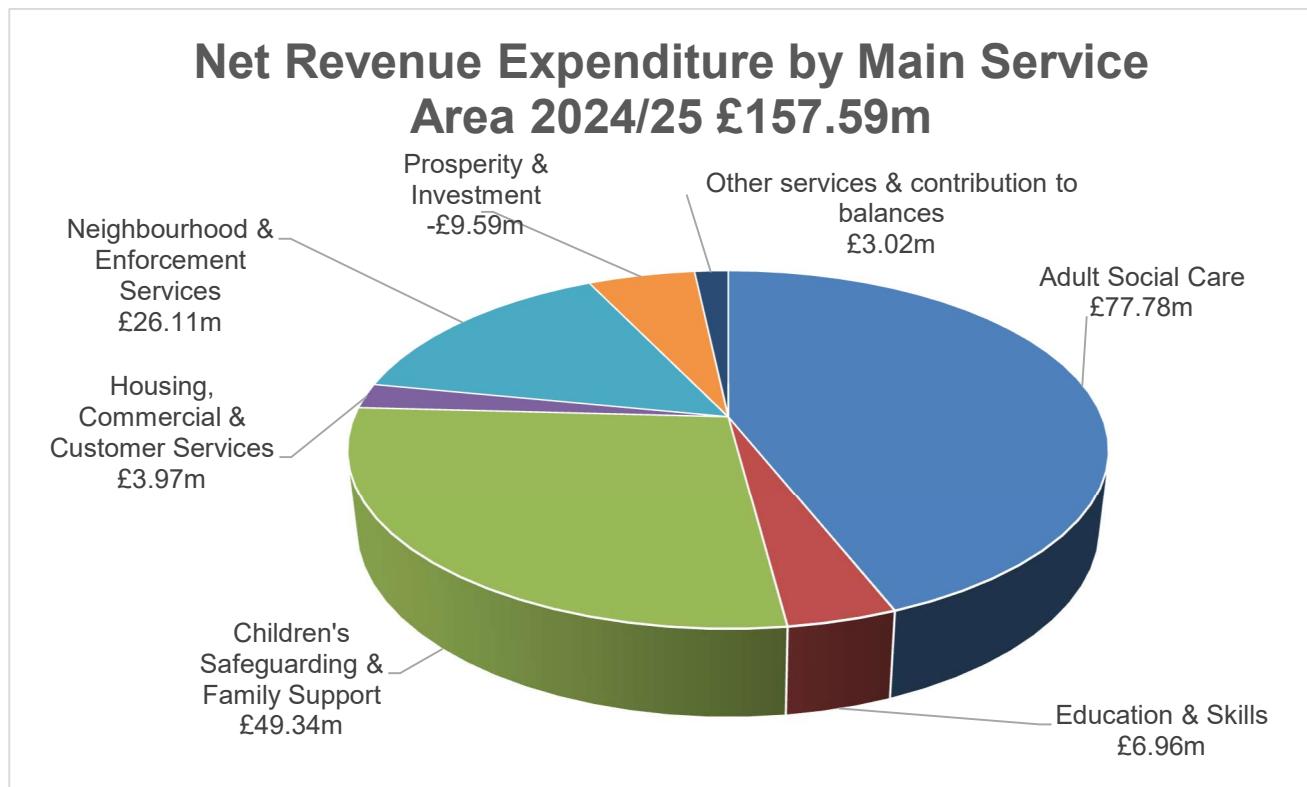
	<b>Final Budget</b> <b>£</b>	<b>Outturn</b> <b>£</b>	<b>Variation</b> <b>£</b>
Finance, People & IDT	16,805,026	12,354,647	(4,450,379)
Policy & Governance	1,411,243	1,389,620	(21,623)
Adult Social Care	68,943,436	77,786,862	8,843,426
Housing, Commercial & Customer Services	5,126,206	3,966,839	(1,159,367)
Children's Safeguarding & Family Support	49,577,503	49,335,384	(242,119)
Education & Skills	12,838,151	6,957,875	(5,880,276)
Health & Wellbeing	393,414	403,451	10,037
Neighbourhood & Enforcement Services	33,306,642	26,112,116	(7,194,526)
Prosperity & Investment	(6,587,931)	(9,592,592)	(3,004,661)

	Final Budget £	Outturn £	Variation £
Council Wide Items	(24,517,850)	(11,127,897)	13,389,953
	<b>157,295,840</b>	<b>157,586,305</b>	<b>290,465</b>
<b>Funding</b>	<b>(157,295,840)</b>	<b>(157,677,761)</b>	<b>(381,921)</b>
<b>Total</b>	<b>0</b>	<b>(91,456)</b>	<b>(91,456)</b>

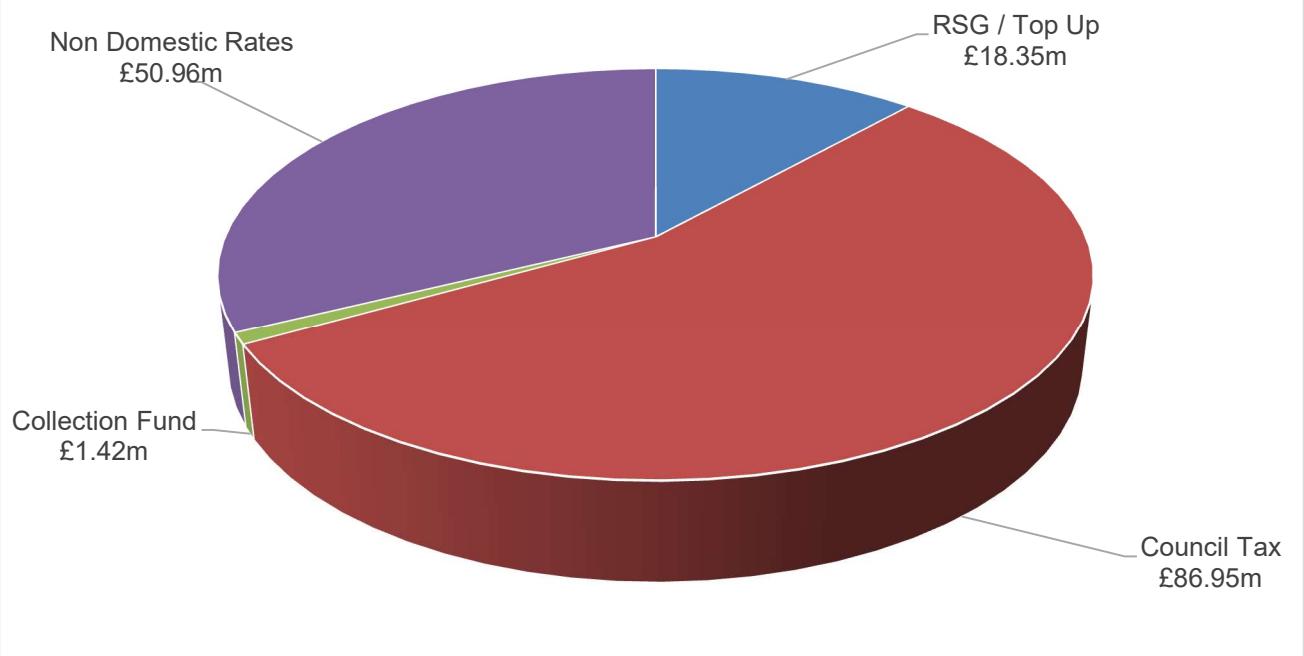
Budget, Outturn and Variances in the above table exclude International Accounting Standard (IAS) 19 Pension entries and asset charges which are technical entries required in the formal statement of accounts but do not impact on the Council's General Fund Balances.

The outturn position has resulted in a general fund balance of £4.117m and a special fund balance of £0.327m, giving an overall balance of £4.444m. The total for all useable reserve balances held by the Authority at 31 March 2025 is £108.985m, although almost all of this is held to meet known or likely commitments.

The following two charts show Net Revenue Spend by Service for 2024/25 and how it is funded, the figures are net of specific income i.e. service grants and sales fees and charges.



## Sources of Finance 2024/25 £157.68m



The Outturn position can be reconciled with the formal Comprehensive Income and Expenditure Statement as follows -

Description	Expenditure £000	Income £000	Net Expenditure £000
<b>Total Service Outturn</b> (see page 12/13)	<b>543,755</b>	<b>386,169</b>	<b>157,586</b>
Trading Services / Industrial Units	(175)	(3,230)	3,055
Pensions Adjustments under IAS 19	(2,346)	0	(2,346)
Interest Payable and Similar Charges	(17,274)	0	(17,274)
Interest and Investment Income	(280)	0	(280)
Gains and Losses on Repurchase or Early Settlement of Borrowings (net)	0	(3,490)	3,490
Sources of funding unapplied	0	(35)	35
Depreciation & Impairments, REFCUS etc. from Net Operating Cost	91,841	0	91,841
Accumulated Absences	440	0	440
Minimum Revenue Provision	(5,207)	0	(5,207)
Net Movement on Reserves	17,797	0	17,797
<b>Net Cost of Services</b> (see Comprehensive Income and Expenditure Statement on page 63)	<b>628,551</b>	<b>379,414</b>	<b>249,137</b>

## **2. Service Issues Highlighted During 2024/25**

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)

<b>Service Area</b>	<b>Variance £m</b>
<b><u>Finance, People &amp; IDT</u></b>	
<b>Treasury</b> – impact of capital spend re-profiling and positive cash flow positions during the year. This benefit is offsetting the income pressure in the Property Investment Portfolio and Housing shown below.	(1.084)
<b><u>Adult Social Care</u></b>	
<b>Longer Term Care Purchasing</b> – expenditure relating to block and spot contracts. Additional investment has been required due to the continued increase in the costs of care and demand for care. The service continues to work on delivering care which maximises prevention and independence where possible.	+7.035
<b>Income</b> – overall shortfall on income targets.	+1.066
<b>My Options – Adults &amp; Children’s Services</b> – pressure on staffing budgets to meet demand.	+0.538
<b>Autism, Learning Disability &amp; Mental Health Purchasing Care</b> – in house purchasing; pressure from increased demand.	+0.497
<b>Prevention &amp; Enablement</b> - intermediate care.	+0.264
<b>Older People &amp; Disability</b> – mainly due to staffing vacancies due to recruitment challenges.	(0.415)
<b><u>Housing, Commercial &amp; Customer Services</u></b>	
<b>Strategic Housing, Income</b> – income shortfall which will be delivered when Housing Schemes become operational (Red Lion development due 2025/26). Note, borrowing costs are also reduced which is reflected in the Treasury benefit reported under Finance.	+0.290
<b>Homelessness &amp; Prevention</b> – maximisation of grant income.	(0.352)
<b>Housing Benefit Subsidy</b> – planned use of reserves.	(0.295)
<b><u>Children’s Safeguarding &amp; Family Support</u></b>	
<b>Children in Care, Leaving Care Team &amp; Speciality Services, Family Solutions:</b>	(0.271)

Service Area	Variance £m
<b>CIC placements, Post 16 Staying Put &amp; Leaving Care Support</b> – lower than budgeted due to ongoing work on prevention, early intervention and review of placement costs; together with the new provision for supported accommodation at Octavia Court.	+0.481
<b>Health Funding</b> – anticipated health contributions in relation to health needs are lower than budgeted, impacted by reduced overall placement costs.	+1.171
<b>Operational Expenditure</b> – costs associated with placement costs fully funded from government grant, together with pressure arising from aids and adaptations.	-1.777
<b>Income</b> – additional grant income received.	
<b><u>Prosperity &amp; Investment</u></b>	
<b>Operational Buildings</b> – property improvements at Lakewood Court.	+0.260
<b>Operational Buildings</b> – lower NNDR charge at Oakengates Leisure Centre due to closure for part of the year.	(0.271)
<b>Property Investment Portfolio</b> - capital investment re-phased into future years with corresponding impact on budgeted income. Note, this is offset by a reduction in borrowing costs which is reflected in the Treasury benefit reported under Finance.	+0.392
<b>Planning</b> – downturn in planning fees during 2024/25.	+0.451
<b><u>Council Wide</u></b>	
Budgeted Contingency.	(5.909)
<b>Other Council Wide Items</b> – including lower than budgeted contract and pay inflation, NDR levy account surplus redistributed and WME dividend and rebate.	(3.649)
<b>Transfers to Reserves</b>	+2.866

### **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 £114.4m over 2024/25, from a deficit of £17.4m to a surplus of £97.0m. 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). Following this, a deficit of £14.4m 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 £18.895m (comprising contributions of £17.9m plus a lump sum payment of £0.995m). Following the valuation at 31<sup>st</sup> March 2023 the contribution rate was increased to 17.2% for 2023/24 (and the subsequent 2 years), this is supplemented with a lump sum payment as stated above.

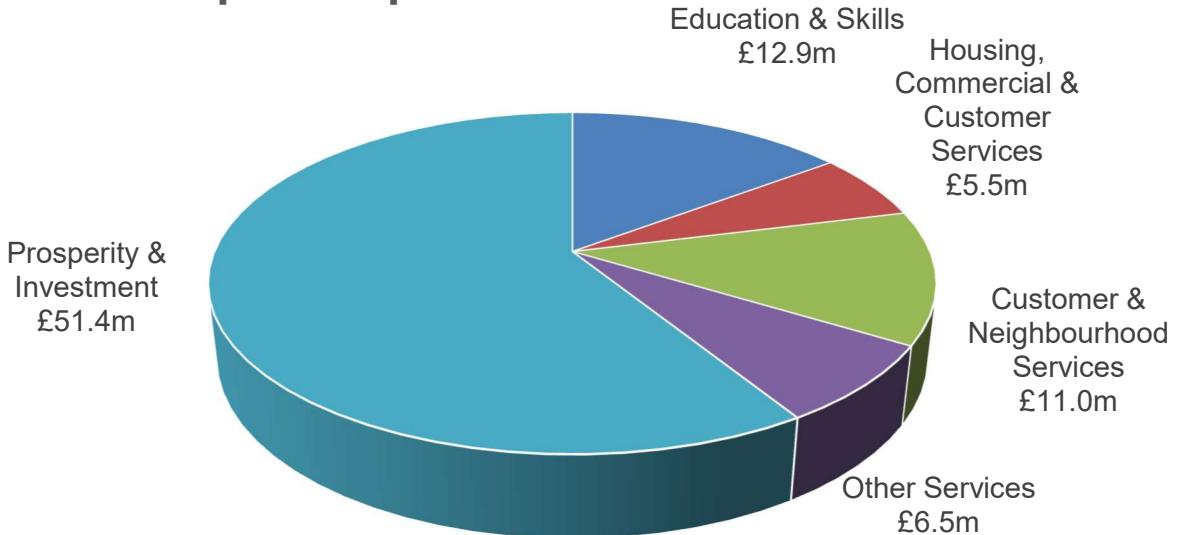
#### **4. Capital Outturn 2024/25**

The Council spent £87.173m on capital projects during the year. Some re-phasing of expenditure into 2024/25 will take place including as a result of extensions and re-profiling of grant funded programmes. All schemes which have been rephrased are already in progress. The detail is shown in the table below:

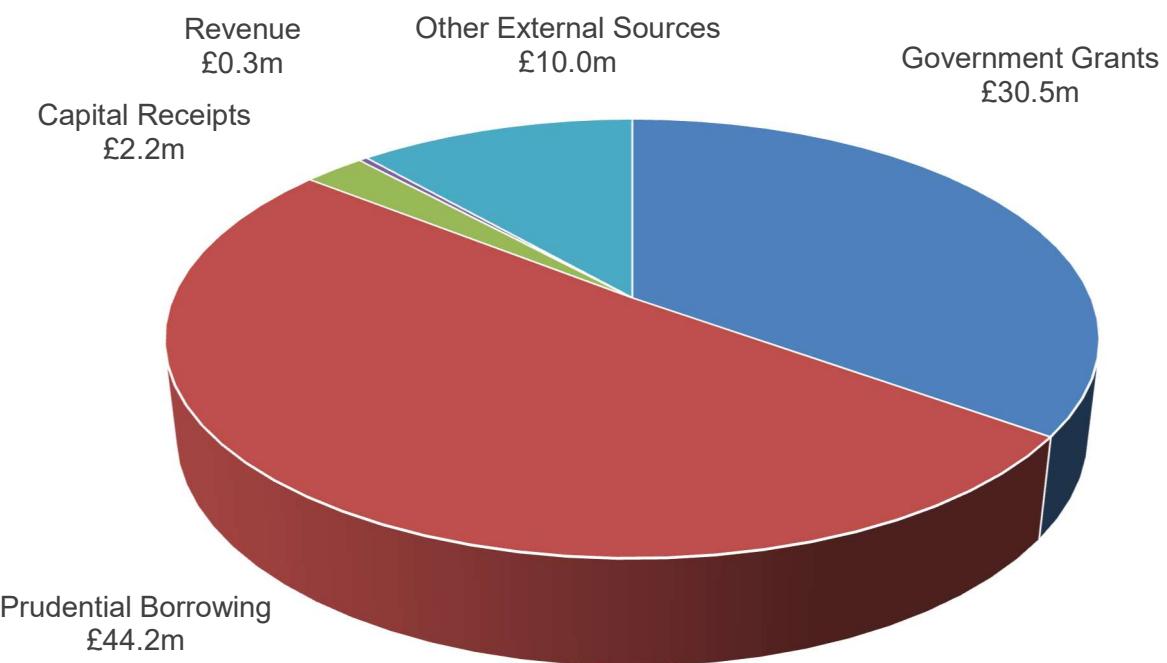
<b>Policy Area</b>	<b>2024/25 Approved Budget £m</b>	<b>2024/25 Expenditure £m</b>
Adult Social Care	0.027	0.031
Corporate Communications	0.000	0.002
Education & Skills	15.527	12.924
Finance, People & IDT	6.931	6.284
Housing, Customer & Commercial Services	6.470	5.521
Neighbourhood & Enforcement Services	12.860	10.975
Policy & Governance	0.087	0.059
Prosperity & Investment	51.249	51.377
<b>Total</b>	<b>93.151</b>	<b>87.173</b>
<b>Funded by:</b>		
Government Grants	39.252	30.462
Prudential Borrowing	41.856	44.255
Capital Receipts	4.613	2.178
Revenue	0.343	0.258
Other External Sources	7.087	10.020
<b>Total</b>	<b>93.151</b>	<b>87.173</b>

The following two charts show Capital Spend by Service for 2024/25 and how it is funded.

## Capital Expenditure 2024/25 £87.2m



## Sources of Finance 2024/25 £87.2m



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 is £385.5m (inclusive of equity investments) at 31 March 2025 which is an increase of £54.2m from the previous year due to an increase in borrowing in line with the approved Capital Programme (see Note 22) and a reduction in internal borrowing, offset by a small increase in investments held arising from favourable cashflows in March (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 2024/25 the Authority made payments of £12,431,116 (£11,918,711 in 2023/24) 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 2024/25 includes expenditure relating to this deal.

## **5. Provisions (see Note 26)**

**Restructure Provision** – the accounts include a provision to meet committed severance costs which relate to ongoing restructuring programme which is part of the Council's strategy for delivering savings. The amount in the provision on 31<sup>st</sup> March 2025 was £0.064m. It is anticipated that an element of this will be funded from Capital Receipts in 2025/26.

**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, £4.332m is estimated as the amount required to set aside for this purpose in the 2024/25 accounts (£4.301m in 2023/24). Telford & Wrekin Council's proportion of this is £2.123m (49%) (£2.107m in 2023/24).

## **6. Achievements & Measures of Success During 2024/25**

Through 2024/25 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 reduced the number of referrals for safeguarding and statutory services by over 30% through the introduction of 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 91% of primaries, 62% 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 Government has set targets which have been adopted by the Council to work with families who need additional support through the "Supporting Families" programme. In 2024/25 we worked with 375 families.

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'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' this year – placing us among top performers for our innovative approaches to delivering adult social care which is helping improve waiting lists. The introduction of a Hybrid Team in Telford and Wrekin has significantly reduced waiting times by 55%. 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*".

In 2024, 66.5% of people report being satisfied with their care and support, above the national average (65.4%) and the highest rate reported since 2016.

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 date, ongoing investment in Programme has resulted in -

- 388 new jobs created
- 65 new business openings in empty units
- 367 business grants awarded
- Empty properties reduced from 9% to 3.8% on average, the national rate is 14%
- 534 social media postings reaching over 2.5m active users supporting our high streets
- Awarded over 100 High Street Hero Awards voted for by the Public
- Over 100 façade improvements
- Funding for town and parish councils to run their own high street events to enhance local high street footfall

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 10% and reductions in ASB reported to both the Police by over 20% and the Council by over 30%. In addition, we have also -

- addressed 597 requests for service from tenants living in poor housing conditions, a 30% increase from previous years,
- carried out 412 private rented property inspections identifying 480 hazards,
- overall number of proactive safer streets inspections to c.600,
- served 156 enforcement notices, including Improvement and Abatement Notices for hazards in private rented properties,
- issued 44 HMO licences following full inspections and audits of these properties and management standards, and
- brought 232 long term empty properties back into use since the adoption of our long-term empty property strategy 2021-2026.

**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 61% 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 2022/2023 our published household recycling rate was 48.2% which is well above the England average.

The Veolia waste team engaged with around 3,500 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. In the last 12 months, over 11,000 residents have used the bulk collection service.

From April 2024, Veolia have worked with us on a re-use scheme with a monthly pop-up shop and this has enabled good quality items to be reused. The council has saved a total of 50 tonnes which otherwise would have been disposed of at cost. The re-use scheme is run closely with our charity partner, the British Red Cross.

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 13.5% in the ten years to 2023. This was the fastest population growth in the West Midlands and the 9<sup>th</sup> 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%. (5.5% and 4.2% at December 2024).

Fibre broadband infrastructure is key to the economic growth of the borough and underpins the benefits that digital connectivity brings. 98% 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. To date the land deal as delivered:

- 200,000sqm of Employment Floor Space,
- 1,583 new homes,
- £60m of accelerated public land receipts,
- 2,473 new jobs, and
- Enabled expansion of local companies and attracted almost half a billion of inward and foreign investment

## Organisation

By the end of 2024/25, the Council had delivered budget savings of £181.7m. 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 June 2021, a Local Government Association Corporate Peer Review was completed into the Council. The team concluded that:

*"the Council should be very proud of what it is achieving, it is very ambitious, top performing in key areas and striving constantly to deliver for local people. The authority has strong and effective political and managerial leadership and that officers and members had worked phenomenally hard to get the organisation to where it is."*

They also said:

*"The authority is held in extremely high regard as a partner, founded upon credibility and a convincing track record of delivery, and it is very highly trusted"*

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 £4.4m profit over 25 years.
- 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. The rate of empty properties runs at less than 1.5%

- 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 the **West Midlands Combined Authority** and are actively working through this to maximise future opportunities for the borough to build on the £3.7m grant already secured from the WMCA. This grant is to kick-start building new homes on stalled brownfield sites in the borough and will see around 540 new homes built as well as bringing 'derelict' brownfield land back into use and creating 240 jobs. Work on these sites had stalled because of high costs to developers to get the land ready for building. Our work on stalled sites includes the provision of much-needed extra care and supported living sites to help our mature residents to remain living independently for longer.

- The council has successfully obtained over £52m funding through successful bids for **Levelling Up** funding and **Towns Fund** funding available from government which has allowed it to progress its plans for construction of "Station Quarter" –This will see the creation of a 'digital hub' intended to support with enhancing skills and, in turn, increasing wages in the Borough. 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.

The Quad opened in 2024 and provides:

- Courses for up to 200 learners aged 16 to 18 at The Quad, providing new learning opportunities for them, as well as running a range of evening courses for adults.
- Evening courses for adults
- A range of degrees including applied data science and robotics
- 7,500 sq ft business incubator space on the third floor
- Phase 1 includes residential development with 189 modern and affordable homes

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 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.

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 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. This saw Revenue Support Grant increasing by 1.7% (CPI inflation). As anticipated the Council faced a budget shortfall and after delivering £181.7m of savings since 2009/10 further savings of £13.1m are 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 is:

- An additional savings package delivering an additional £13.1m from general fund budgets,
- £7.7m additional net investment into Adult Social Care,
- 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 business rates, council tax and New Homes Bonus.

The decision was made to increase council tax by 4.99% for 2025/26, 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 2024/25 (Band B) was £1,255 per year (Band B is the typical band for Telford & Wrekin, Band D is £1,614). The Council had the lowest Council Tax out of all Councils areas in the Midlands region for the services which we provide.

<b>2025/26 Net Revenue Budget - £m</b>	
<b>2025/26 Total Net Revenue Spend</b>	<b>167.640</b>
Funded From:	
Government Grant (incl. RSG and Top Up)	<b>18.669</b>
Retained Business Rates (incl. S31 grant)	<b>52.463</b>
Council Tax	<b>93.859</b>
Collection Fund Deficit	<b>2.649</b>
<b>Total Funding</b>	<b>167.640</b>

Full Council approved the Medium-Term Financial Strategy on the 27 February 2025 (available on the Council's web site).

## **G. ECONOMIC CONDITIONS**

Nationally, Councils continue to face extreme challenges with unprecedented pressures fuelled by high inflation and high demand for services – particularly Adult Social Care, Children's Safeguarding and School Travel.

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 2024/25 budget was set. The Bank of England base rate was 5.25% in April 2024 and ended the year at 4.50% in March 2025. In April 2024 CPI inflation stood at 2.3% compared to 2.6% in March 2025 which is above the Bank of England's 2% target. Inflationary pressures impact of the cost of delivering services, which has been evident during 2024/25.

Despite the significant pressures faced during 2024/25 the Council ended the year within budget which is a clear demonstration of the exceptionally strong financial management and financial resilience which is embedded in the authority.

In addition to the General and Special Fund Balances, the Council has a general contingency of £7.2m in 2025/26 (£3.2m of which is ongoing) and £5.9m held centrally for inflation and pay awards in 2025/26. 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.

Ongoing pressures 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 2025/26.

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 2024/25 in a positive position, despite the significant financial pressures experienced during the year. This is a solid basis upon which to move into 2025/26 and demonstrates ongoing financial resilience.

The funding outlook for the medium term remains very uncertain but will clearly continue to be challenging, particularly in light of the current inflationary and demand pressures.

Despite 2024/25 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 at the same time also face the uncertainties of potential changes to the local government funding system and increasing demand for services.

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 for both 2023/24 and 2024/25. The accounts for 2024/25 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 2024/25 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 £57.249m to move from an underspend of £0.091m, as detailed in the 2024/25 Financial Outturn Report, to a deficit of £57.158m in the Comprehensive Income and Expenditure Statement. This adjustment reflects technical accounting requirements and does not alter the underlying position of £0.091m 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 £57.158m (after technical accounting adjustments referred to above) compared with the outturn report which shows an underspend of £0.091m. 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 £4.444m at 31<sup>st</sup> March 2025). 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 31<sup>st</sup> March 2025 and shows net assets reducing by £45.347m to £376.889m 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 £4.184m.
- ... **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 £0.808m for the year and the Council’s share of the surplus was £2.945m at 31<sup>st</sup> March 2025. The localisation of business rates means that we also show similar information in respect of this. The business rates show a reduction in the deficit balance on the account for the year of £2.906m, and the Council’s share of the deficit was £0.203m at 31<sup>st</sup> March 2025.
- ... **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 [Declaration of Interest forms](#) on line 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.

[REDACTED]

Michelle Brockway  
Director Finance, People & IDT  
Chief Financial Officer  
10 February 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 31<sup>st</sup> March 2025.

### **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: 10 February 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: 10 February 2026**

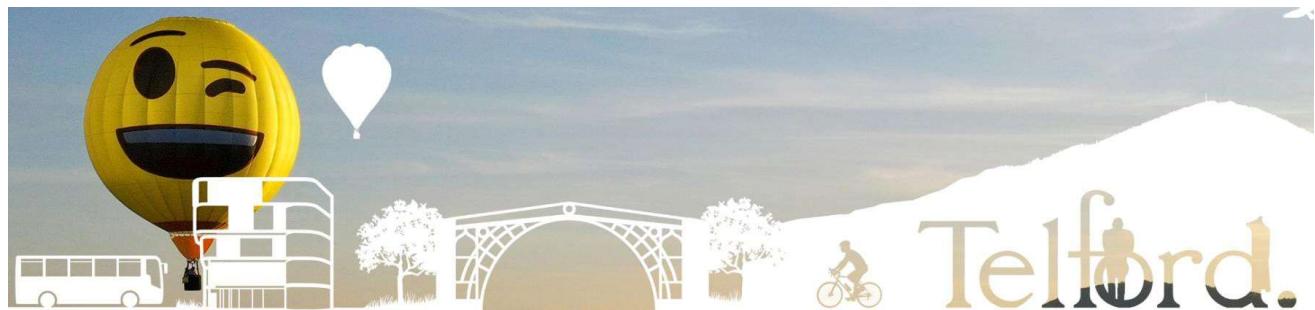


Telford & Wrekin  
Co-operative Council

Protect, care and invest  
to create a better borough

# Annual Governance Statement

1 April 2024 – 31 March 2025

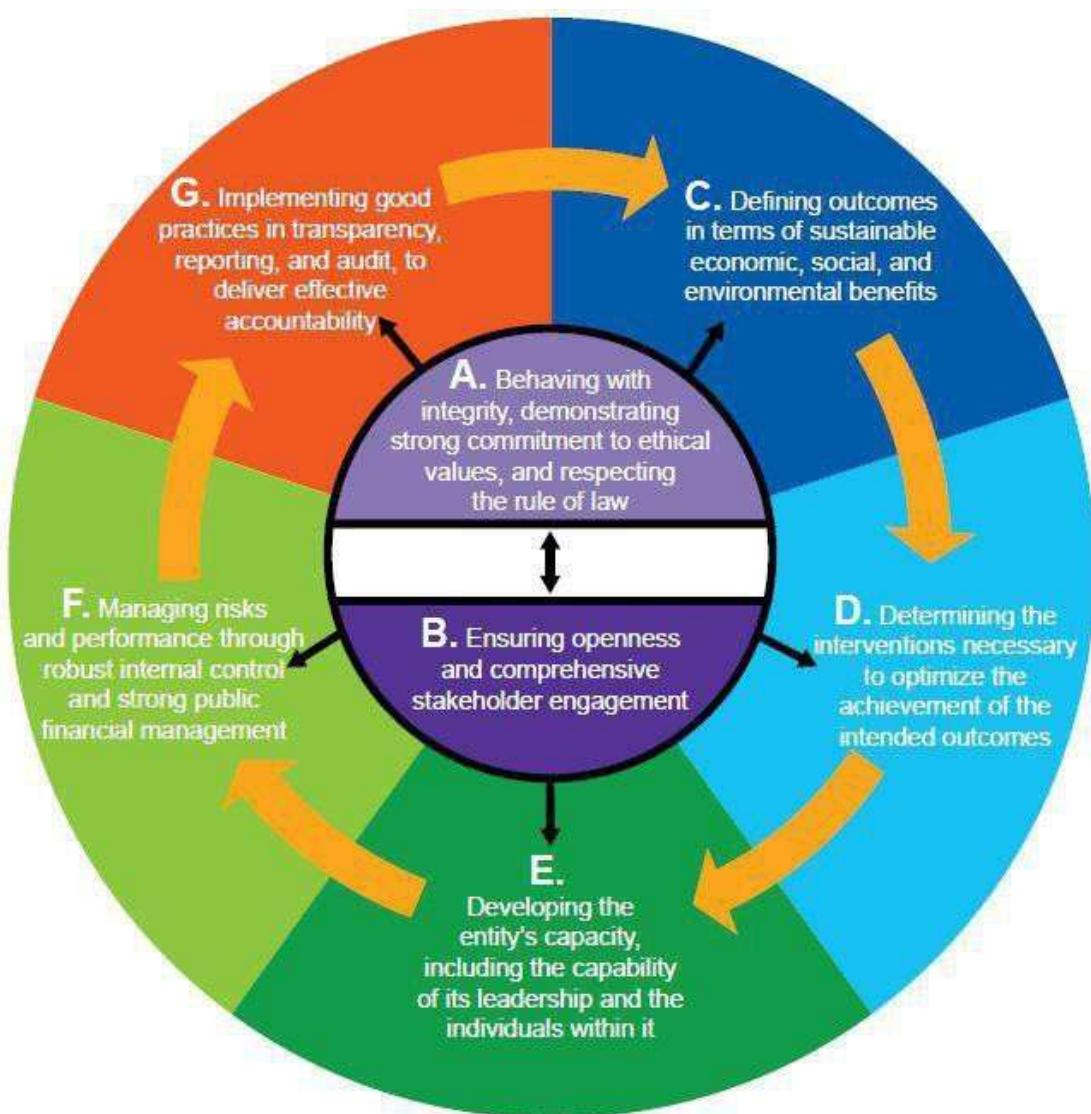


# 1. Introduction

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.



## 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 2030 which details borough aspirations for the Council and its partners.

2.2 To achieve this ambition 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 2024/25 has seen continued key challenges around financial management which have been 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 2024/25 included:

- The Council has been shortlisted for 3 national awards including Council of the Year
- The Care Quality Commission assessed the Council's Adult Social Care services as GOOD
- Ofsted rated the Council's Children's services as OUTSTANDING
- National recognition for the Council's work within the Special Educational Needs and Disabilities (SEND) arena
- National recognition for the Council's response to the independent inquiry into child sexual exploitation that it commissioned in 2018.

See paragraphs 6.6 and 7.3.13 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 are responsible for ensuring that its business is conducted in accordance with the law and proper standards. The Council needs to demonstrate that public money is safeguarded and 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 everything that it does.

## 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 cannot eliminate all risk of failure to achieve priorities and objectives and can therefore 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 2024/25 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 2024/25 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 2024/25 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.

Internal Audit undertake sample testing of completed certificates to provide additional assurance that adequate controls/risk management measures have been operating in 2024/25.

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 2024/25 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**

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 Internal Audit is based on risk and the scope of each audit assignment as a minimum, includes assessment of the governance, risk management and control arrangements put in place by management.

Internal Audit have completed 93% (23/24 – 90%) of the revised risk-based Annual Internal Audit Plan together with some additional ad-hoc work as required.

Internal Audit have 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**

As stated above, reliance has been placed on other sources of assurance in 2024/25 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.

2024/25 has seen the Council consistently recognised as a well performing Council by a number of external bodies. Below is a summary of the recognition received.

- The Council has been shortlisted for 3 awards including Council of the Year, the Environmental Services Award (for organising Reuse events to cut waste) and Public Partnership Award (for its response to child sexual exploitation).
- The Care Quality Commission (CQC) assessed the Council's Adult Social Care services as GOOD. CQC recognised that Adult Social Care was performing well and meeting their expectations.
- Ofsted rating the Council's Children Services as OUTSTANDING – the second consecutive outstanding judgment. Ofsted praised the way that the Council put young people at the heart of everything we do and highlighted its approach to participation and co-production as a real strength.
- The Council's Lets Dine Team achieved the bronze standard award catering mark, awarded by the Soil Association Food for Life.
- Telford Town Park ranked the cleanest park in England by LitterBins.co.uk

- The Council's Station Quarter project has been nominated for the Regeneration & Sustainability Project of the Year by the Insider West Midlands Property Awards.
- There has been national recognition for the Council's work within the Special Educational Needs and Disabilities (SEND) arena.
- There has also been national recognition for the Council's response to the independent inquiry into child sexual exploitation that it commissioned in 2018.

Other examples of assurance obtained in year include:

- 1:1 supervision and team meetings
- Case file audits
- Regular contract review meetings
- LGA service review
- Completion of statutory returns
- Quality checks undertaken
- Completion and approval of regular reconciliations
- Lexcel re-accreditation in Legal
- Inspection by the Investigatory Powers Commissioner's Office
- Annual Scrutiny Work Programme
- Quality Assurance Improvement Plan
- Quarterly statutory officer's meetings
- External audit of Housing Benefit Subsidy Claim
- DWP audit
- CQC inspection

KPMG have been the Council's External Auditor for 2024/25. They have stated that:

- There are no significant issues identified in their value for money risk assessment to date
- The 2023/24 accounts have been signed off (CIPFA state over 200 disclaimed or qualified opinions have been issued across England) with good relationships forged with the Council's Finance Team
- They expected that there would be very few corrections required to the Statement of Accounts
- No financial management issues had been found by KPMG or the previous External Auditor (Grant Thornton) in the years preceding 2024/25

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

However, as part of the AGS certification process and ethics-related audit checks throughout the year, there have been a small number of areas identified that do require further development. Attached as Annex 1 is an agreed action plan to address these areas for development and ensure continuous improvement.

- 6.8 Issues from the previous AGS action plan (2023/24) that have been addressed or mainstreamed have been deleted and those that continue to be addressed are included in the 2024/25 action plan.
- 6.9 The Senior Management Team has monitored implementation of the 2023/24 actions and progress has been reported to the Audit Committee at the January 2025 meeting.
- 6.10 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.  
However, some improvements are needed in this area and recommendations have been included in the 2024/25 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.  
The Council has a zero-tolerance policy in relation to fraud and corruption and it is service management's responsibility 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.  
Internal Audit, along with the Investigations Team, undertakes proactive fraud 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.
  - 7.1.4 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.
  - 7.1.5 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 Service Delivery Managers 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 2024/25 AGS action plan.

7.1.6 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.

7.1.7 Human Resource and 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.

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

7.1.9 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.

7.1.10 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.

## **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 in 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.

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.

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. The latest update report went to Cabinet in March 2025.

7.2.2 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.

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

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

7.2.5 Annually the public is consulted on the budget for the forthcoming year.

7.2.6 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.

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

7.2.8 The Council undertook a customer survey in 2024 to obtain views from citizens as to how they perceived the Council's service delivery. Survey findings included:

- 85% of respondents were satisfied with the Council's access channels
- Customer satisfaction score increased from 72.1 in 2022 to 74
- The Council had a score of 4.3 for effort customers have to make to access Council services (therefore a lower score is positive). This compares to a national average of 5.8

7.2.9 In addition to 7.2.8 above, the Council undertook a resident's survey to obtain the views of residents over a number of areas. A targeted approach was undertaken for this survey with households across all wards being represented.

7.2.10 The Council also undertook a young person's online survey for 11-18 year olds. The Council used its existing youth engagement groups to encourage participation.

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

7.3.1 The Council Plan was refreshed in 2024. The 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 generate income to invest in frontline services to mitigate increases in the cost of living and the ongoing impact of Government funding.

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 are currently undertaking a review of the Local Plan and have completed consultation exercises on this. The Local Plan is now being finalised prior to the plan being submitted to the Government's Planning Inspectorate for independent examination.

7.3.4 All service areas have their own service plans (refreshed in 2024/25) which details 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 Council has a commercial/investment strategy that demonstrates clear visions, objectives and outcomes. This includes financial, economic, social and environmental issues.

7.3.6 The Council's economic growth strategy supports and drives increased economic productivity.

7.3.7 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.

7.3.8 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.

7.3.9 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.

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

7.3.11 Implementation of the IDT Strategy has continued, including infrastructure upgrades and further security improvements particularly in response to spam, phishing and ransomware attacks.

7.3.12 An Artificial Intelligence Board has been established to ensure that any AI projects are appropriately governed.

7.3.13 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 Council has set for itself.

Key actions have included:

- The Council has achieved an overall reduction of 61% in CO2 emissions from a baseline of 2018/18
- Installation of solar panels, electric vehicle charging points and battery storage at Horsehay Village Golf Course
- Decarbonisation work at Oakengates Leisure Centre including the installation of heat pump technology and installing an energy efficient roof covering
- Orchard Business Park development included the installation of solar panels
- Through the Council's Warm and Well Telford fund, grants are given for climate change work in households

- Nuplace, the Council's wholly owned housing company, developed energy efficient properties for rent
- Providing over 9,000 energy saving lightbulbs to the community
- Replacing Council fleet vehicles with electric versions (currently there are 15 electric vehicles in operation), where possible, as existing vehicles reach the end of their useable life
- Creation and maintenance of the Climate Change Adaption Risk Register

Many more activities have taken place in 2024/25 to support climate adaption and biodiversity.

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

7.4.1 The 2024/25 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 Workforce Strategy was approved in 2021/22 and is available to all employees on the intranet. The strategy consists of 5 priorities which reflects the Council's aims to achieve its objectives.

The Council is currently refreshing this strategy and will look to encompass feedback from the recent employee survey into an updated version in 2025/26.

7.5.2 The Council undertook a survey of all of its employees in 2024/25. A total of 1,405 responses were completed. The survey identified that:

- 84% of employees would recommend the Council as a great place to work
- 95% of employees are interested in their work
- 92% of employees understand how their work contributes to the Council's priorities

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

7.5.4 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 2024/25 with approximately 250 Team Leaders/Managers taking part.

7.5.5 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 50 exhibitors and 4,000 visitors attending. Apprenticeship opportunities were promoted at this show.

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

7.5.7 The action plan at *Annex 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 the at the heart of what the Council does. A number of governance documents details 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 could stop the Council achieving its objectives. This risk register is presented to the Audit Committee 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 2024/25 the Internal Audit team achieved 93% of their revised planned work and this has been used, in part, with the relevant output from unplanned work to help form their 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 Internal Audit as part of the Quality Assurance Improvement Program. No significant issues have been found during these checks but a small number of minor issues have been fed back to the Internal Audit Team to assist in their continuous improvement.

7.6.6 Internal Audit 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 2024/25.

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 make best use of the money they have available. Financial roles and responsibilities are clearly shown in the regulations and it 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, Link, 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. £181.7m of ongoing savings/additional income will have been delivered by the end of 2024/25 with a further £13.1m to be delivered by the end of 2025/26. As part of the Local Government Finance Settlement for 2025/26, the Government announced its intention to move to multi-year settlements from 2026/27 onwards alongside a reform of the formula funding allocations and a reset of the Business Rates system, both of which will be consulted on throughout 2025.

However, it is unlikely that the Council will know what its funding settlement is for 2026/27 and future years until December 2025, just 3 months before the start of the new year. This makes it challenging to forecast the level of savings required from April 2026 onwards.

## **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 2024/25, 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 were provided with an update on these matters by MUFG Treasury Services, the Council's Treasury Management advisors.

7.7.5 There are various committees, all 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 Internal Audit fully complies with the Public Sector Internal Audit Standards (PSIAS). The Internal Audit team complete self-assessments against the standards and the outcome of this is reported to the Audit Committee.

The next internal self-assessment will be completed in 2025/26 against the new revised global audit standards. The next external assessment will take place in 2026/27.

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 Service Delivery Managers and relevant Senior Management representatives for consideration and implementation of recommendations.

Internal Audit will share 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 has procedures in place that drive continuous improvement in performance.

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 2024/25 included:

- Delivery of tailored training programme for elected members, managers and employees to enhance their understanding of the Equality Act 2010, their responsibilities and how they can meet their duties effectively.
- Employee led support groups continue to provide a voice and safe space for employees who share protected characteristics, and their allies, whilst delivering a range of awareness and well-being initiatives for the workforce.
- Residents who share a range of protected characteristics have influenced development of policy and practice through proactive engagement and involvement. This has included amongst others the design of the new Theatre Telford, co-design of Adult Social Care self-service portal and delivery of an inclusive leisure strategy.

## 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 New Global Internal Audit Standards

8.2.1 The new Global Internal Audit Standards and the Application Note will form the basis of UK public sector internal audit effective from 1 April 2025. Therefore, the Council's Internal Audit operations must comply with these standards.

### 8.3 Local Government Reorganisation

8.3.1 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.

### 8.4 On-going financial challenges

8.4.1 Telford and Wrekin Council and other local authorities in England face 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.

### 8.5 Continued Customer Centric Service

8.5.1 The Institute of Customer Services has recently confirmed that it has awarded Service Mark Accreditation to the Council. It was identified by the institute that the Council is meeting the National Customer Service Standard. The Council are only 1 of 69 organisations across the country to receive this accreditation and the first Council in the country to be accredited.

## Sign-off of the 2024/25 Annual Governance Statement

Name/Role	Signed	Dated
David Sidaway Chief Executive		09/05/2025
Cllr Leo Carter Leader of the Council		07/05/2026
Cllr Helene Morgan Chair of Audit Committee		09/02/2026

## AGS ACTION PLAN FOR 2024/25 FOR IMPLEMENTATION DURING 2025/26

Ref.	Area Identified for development and / or ongoing monitoring	Actions	Lead Officer
1.	<p>Ongoing savings proposals, budget constraints and continued strategic management of organisational changes.</p> <p>Ongoing from previous AGS</p>	<p>Continued management of budgets, savings, revised structures and commercial/business approach which links to the continued development and implementation of revised governance arrangements.</p> <p>Delivery of in year savings is monitored on a regular basis at SMT.</p> <p>Further consultations on future savings will be undertaken where necessary.</p>	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• Senior Management Team</li> </ul>
2.	<p>All internal audits include sending ethics questionnaires to a sample of staff in the team/area being audited.</p> <p>This is to demonstrate their understanding of corporate policies and whether staff feel supported.</p> <p>In a small number of questionnaire responses completed it was noted that not all staff:</p> <ul style="list-style-type: none"> <li>• Had received an Annual Performance &amp; Development Discussion</li> <li>• Were familiar with particular Council policies</li> <li>• Had completed all essential learning requirements</li> </ul> <p>These findings have been shared with Service Delivery Managers / Directors when discussing</p>	<p>Report to SMT on the completion rate for Annual Performance &amp; Development Discussion.</p> <p>Reports on the completion of essential learning will be presented to SMT periodically.</p> <p>A reminder will be sent to all staff on key corporate polices.</p>	<ul style="list-style-type: none"> <li>• Senior Management Team</li> </ul>

Ref.	Area Identified for development and / or ongoing monitoring	Actions	Lead Officer
	the audit report for their service with recommendations for rectification.		
3	<p>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.</p> <p>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.</p>	<p>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.</p> <p>A revised workforce strategy will be launched in 2025 which will cover succession planning, single point of failure and 'growing our own'.</p> <p>The Leadership &amp; 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.</p> <p>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&amp;WC'.</p> <p>In 2024/25 the Council has continued to organise the Skills &amp; Apprenticeship Show to support recruitment.</p>	<ul style="list-style-type: none"> <li>Director: Finance, People &amp; IDT</li> </ul>
4	<p>Low/medium risk data breaches are being experienced in some Council Teams.</p> <p>Data breaches are reported to the Information Governance (IG) Team who investigate the circumstances of the breach, assess the</p>	<p>Incorporate data breach analysis into the Managing the Business dashboard presented to the Senior Management Team.</p> <p>Increase sharing of information internally of trends around data breaches and 'near misses'.</p>	<ul style="list-style-type: none"> <li>Director: Policy &amp; Governance</li> </ul>

Ref.	Area Identified for development and / or ongoing monitoring	Actions	Lead Officer
	<p>associated risk and ensure lessons learnt are identified.</p> <p>The information Commissioner's Office have not taken any action against the Council is 2024/25.</p>	<p>IG Team support for services who process high volumes of personal data.</p> <p>Continue to develop/invest in the Council's secure email functionality (Zivver).</p>	

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TELFORD & WREKIN COUNCIL**

## **REPORT ON THE AUDIT OF THE COUNCIL'S FINANCIAL STATEMENTS**

### **Opinion**

We have audited the financial statements of Telford & Wrekin Council ("the Council") for the year ended 31 March 2025 which comprise the Group and Council Comprehensive Income and Expenditure Statements, Group and Council Balance Sheets, Group and Council Movement in Reserves Statements, Group and Council Cash Flow Statements, Collection Fund, and the related notes, including the Expenditure and Funding Analysis and the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Group and Council as at 31 March 2025 and of the Group's and the Council's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The Director: Finance, People & IDT ("the Section 151 Officer") has prepared the financial statements on the going concern basis as they have not been informed by the government of the intention to either cease the Group and the Council's services or dissolve the Group and the Council without the transfer of their services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Section 151 Officer's conclusions, we considered the inherent risks associated with the continuity of services provided by the Group and the Council over the going concern period.

Our conclusions based on this work:

- we consider that the Section 151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Section 151 Officer's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Council's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Council will continue in operation.

## **Fraud and breaches of laws and regulations – ability to detect**

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and internal audit and inspection of policy documentation as to the Council’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Council’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance as a result of financial pressures in order to be able to set a balanced budget for future periods.
- Reading Council and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible financial pressures at the Council our overall knowledge of the control environment, we performed procedures to address the risk of management override of controls in particular the risk that Group and Council management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to our assessment that there was limited opportunity for manipulation of revenue reported given the nature of the funding provided to the Group during the year.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected account combinations for cash, borrowings and revenue.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Section 151 Officer and other management (as required by auditing standards), and discussed with the Section 151 Officer and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements, including the financial reporting aspects of local government legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, recognising the nature of the Group's and the Council's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Section 151 Officer [and other management] and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The Section 151 Officer is responsible for the other information, which comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, in this audit report we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Statement of Accounts for the financial year is consistent with the financial statements.

**Section 151 Officer's and Audit Committee's responsibilities**

As explained more fully in the statement set out on page 31 the Section 151 Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the government of the intention to either cease the services provided by the Group and the Council or dissolve the Group and the Council without the transfer of their services to another public sector entity.

The Audit Committee of the Council is responsible for overseeing the Council's financial reporting process.

**Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

### **Report on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources**

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "NAO Code of Audit Practice"), we are required to report to you if we identify any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

### **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency, and effectiveness in the use of resources**

The Council is responsible for putting in place proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. We are required under section 20(1) of the Local Audit and Accountability Act 2014 to be satisfied that the Council has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively. We are also not required to satisfy ourselves that the Council has achieved value for money during the year.

We planned our work and undertook our review in accordance with the NAO Code of Audit Practice and related statutory guidance, having regard to whether the Council had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

### **Statutory reporting matters**

We are required by Schedule 2 to the NAO Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make written recommendations to the Council under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in this respect.

## **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

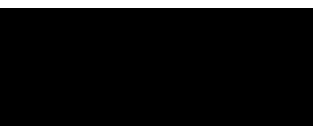
This report is made solely to the members of the Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that

we might state to the members of the Council, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT**

As at the date of this audit report, we are unable to confirm that we have completed our work in respect of the Council's Whole of Government Accounts consolidation pack for the year ended 31 March 2025 because we have not received confirmation from the NAO that the NAO's audit of the Whole of Government Accounts is complete.

Until we have completed this work, we are unable to certify that we have completed the audit of the Telford & Wrekin Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice.



**Richard Walton**

**for and on behalf of KPMG LLP**

*Chartered Accountants*

EastWest

Tollhouse Hill

Nottingham

NG1 5FS

10 February 2026

**2024/25**  
**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.

2023/24 Restated			2024/25			
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
£000	£000	£000		£000	£000	£000
73,868	(1,882)	71,986	Adult Social Care	77,787	(2,365)	75,422
49,921	(3,877)	46,044	Children's Safeguarding & Family Support	49,335	(4,033)	45,302
(28)	884	856	Corporate Communications	0	782	782
(11,141)	(432)	(11,573)	Council Wide	(11,127)	2,782	(8,345)
7,337	446	7,783	Education & Skills	6,958	32,330	39,288
8	23,677	23,685	Finance, People & IDT	12,355	3,561	15,916
43	343	386	Health & Wellbeing	403	158	561
6,860	(1,734)	5,126	Housing, Customer & Commercial Services	3,967	(1,348)	2,619
25,698	7,321	33,019	Neighbourhood & Enforcement Services	26,112	7,004	33,116
1,320	4,606	5,926	Policy & Governance	1,390	3,969	5,359
(7,486)	18,638	11,152	Prosperity & Investment	(9,593)	49,575	39,982
<b>146,400</b>	<b>47,990</b>	<b>194,390</b>	<b>Net Cost Of Services</b>	<b>157,587</b>	<b>92,415</b>	<b>250,002</b>
(146,415)	(52,183)	(198,598)	Other Income & Expenditure	(157,678)	(35,166)	(192,844)
<b>(15)</b>	<b>(4,193)</b>	<b>(4,208)</b>	<b>(Surplus) or Deficit</b>	<b>(91)</b>	<b>57,249</b>	<b>57,158</b>
<b>4,721</b>			<b>Opening General Fund Balance</b>	<b>4,569</b>		
15			Surplus or (Deficit) for year	91		
(167)			Other approved uses	(216)		
<b>4,569</b>			<b>Closing General Fund Balance</b>	<b>4,444</b>		

## Expenditure & Funding Analysis Notes

### 1. Adjustments between funding and accounting basis

2024/25

	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
<b>Net Cost of Services</b>	<b>157,587</b>	<b>91,745</b>	<b>(2,346)</b>	<b>3,016</b>	<b>92,415</b>	<b>250,002</b>
Other Income & Expenditure	(157,678)	(44,186)	356	8,664	(35,166)	(192,844)
<b>(Surplus) or deficit on provision of services</b>	<b>(91)</b>	<b>47,559</b>	<b>(1,990)</b>	<b>11,680</b>	<b>57,249</b>	<b>57,158</b>

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

**2023/24 (Restated)**

	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	73,868	294	0	(2,176)	(1,882)	71,986
Children's Safeguarding & Family Support	49,921	142	0	(4,019)	(3,877)	46,044
Corporate Communications	(28)	7	0	877	884	856
Council Wide	(11,141)	1,444	186	(2,062)	(432)	(11,573)
Education & Skills	7,337	7,907	0	(7,461)	446	7,783
Finance, People & IDT	8	2,320	0	21,357	23,677	23,685
Health & Wellbeing	43	0	0	343	343	386
Housing, Customer & Commercial Services	6,860	5,851	0	(7,585)	(1,734)	5,126
Neighbourhood & Enforcement Services	25,698	8,456	0	(1,135)	7,321	33,019
Policy & Governance	1,320	13	0	4,593	4,606	5,926
Prosperity & Investment	(7,486)	15,004	0	3,634	18,638	11,152
<b>Net Cost of Services</b>	<b>146,400</b>	<b>41,438</b>	<b>186</b>	<b>6,366</b>	<b>47,990</b>	<b>194,390</b>
Other Income & Expenditure	(146,415)	(63,949)	3,364	8,402	(52,183)	(198,598)
<b>(Surplus) or deficit on provision of services</b>	<b>(15)</b>	<b>(22,511)</b>	<b>3,550</b>	<b>14,768</b>	<b>(4,193)</b>	<b>(4,208)</b>

## **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 that 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 unringfenced government grants.

### **Reconciliation of Adjustments between Funding Basis to Accounting Basis under Regulation**

<b>2023/24 (Restated) £000</b>		<b>2024/25 £000</b>
(25,037)	Adjustments between Accounting Basis and Funding Basis under Regulation as Reported in note 14	42,043
19,066	Movement in Earmarked Reserves (see note 29)	13,078
1,653	Movement in School Balances (see note 29)	1,874
(42)	Movement in Revenue Grants unapplied and Other Balances (see note 29)	38
167	Approved use of reserve	216
<b>(4,193)</b>	<b>Adjustments between Accounting Basis and Funding Basis under Regulation as Reported in EFA</b>	<b>57,249</b>

### **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.

<b>2023/24 (Restated) £000</b>		<b>2024/25 £000</b>
44,890	Adult Social Care	48,890
14,369	Children's Safeguarding & Family Support	14,394
39	Corporate Communications	41
20,671	Council Wide	23,355
146,396	Education & Skills	153,989
7,889	Finance, People & IDT	7,341
10,487	Health & Wellbeing	10,862
78,028	Housing, Customer & Commercial Services	80,936
12,914	Neighbourhood & Enforcement Services	13,965
2,392	Policy & Governance	3,121
19,611	Prosperity & Investment	22,520
<b>357,686</b>	<b>Net Cost of Services</b>	<b>379,414</b>

**2024/25  
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	2023/24 Restated			2024/25		
	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000
Adult Social Care	116,876	44,890	71,986	124,312	48,890	75,422
Children's Safeguarding & Family Support	60,413	14,369	46,044	59,696	14,394	45,302
Corporate Communications	895	39	856	823	41	782
Council Wide	9,098	20,671	(11,573)	15,010	23,355	(8,345)
Education & Skills	154,179	146,396	7,783	193,277	153,989	39,288
Finance, People & IDT	31,574	7,889	23,685	23,257	7,341	15,916
Health & Wellbeing	10,873	10,487	386	11,423	10,862	561
Housing, Customer & Commercial Services	83,154	78,028	5,126	83,555	80,936	2,619
Neighbourhood & Enforcement Services	45,933	12,914	33,019	47,081	13,965	33,116
Policy & Governance	8,318	2,392	5,926	8,480	3,121	5,359
Prosperity & Investment	30,763	19,611	11,152	62,502	22,520	39,982
<b>Net Cost of Services</b>	<b>552,076</b>	<b>357,686</b>	<b>194,390</b>	<b>629,416</b>	<b>379,414</b>	<b>250,002</b>
Other Operating Expenditure (Note 7)			4,548			3,989
Financing and Investment Income and Expenditure (Note 8)			9,130			10,220
Taxation & Non-Specific Grant Income and Expenditure (Note 9)			(212,276)			(207,053)
<b>(Surplus) or deficit on provision of services</b>			<b>(4,208)</b>			<b>57,158</b>
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			14,849			(10,765)
(Surplus) or deficit on revaluation of Available for Sale financial assets			0			0
Re-measurements of the net defined benefit pension liability (Note 12)			(72,655)			(1,046)
<b>Other Comprehensive Income &amp; Expenditure</b>			<b>(57,806)</b>			<b>(11,811)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(62,014)</b>			<b>45,347</b>

## 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	Capital Grants Unapplied	Total Useable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000
<b>Balance at 31 March 2023 carried forward</b>	<b>115,927</b>	<b>12,750</b>	<b>128,677</b>	<b>231,545</b>	<b>360,222</b>
Total Comprehensive Income and Expenditure Surplus / (Deficit) (Restated)	4,208	0	4,208	57,806	62,014
Adjustments between accounting basis & funding basis under regulations (Note 14) (Restated)	(25,037)	14,854	(10,183)	10,183	0
<b>Increase/ (Decrease) in 2023/24 (Restated)</b>	<b>(20,829)</b>	<b>14,854</b>	<b>(5,975)</b>	<b>67,989</b>	<b>62,014</b>
<b>Balance at 31 March 2024 carried forward (Restated)</b>	<b>95,098</b>	<b>27,604</b>	<b>122,702</b>	<b>299,534</b>	<b>422,236</b>
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
<b>Increase/ (Decrease) in 2024/25</b>	<b>(15,115)</b>	<b>398</b>	<b>(14,717)</b>	<b>(30,630)</b>	<b>(45,347)</b>
<b>Balance at 31 March 2025 carried forward</b>	<b>79,983</b>	<b>28,002</b>	<b>107,985</b>	<b>268,904</b>	<b>376,889</b>

It should be noted that of the total useable reserves, £107.985m, only £4.444m 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 2023 (Restated) £000	31 March 2024 (Restated) £000		Notes	31 March 2025 £000
737,374	755,984	Property, Plant & Equipment	15a	748,374
0	0	Right of Use Assets	48	11,932
42,807	46,575	Investment Property	15b	48,763
5,429	6,527	Intangible Assets	17	7,887
18,800	22,200	Long Term Investments	21,22,24	27,300
45,420	50,949	Long Term Debtors	21	63,119
<b>849,830</b>	<b>882,235</b>	<b>Long Term Assets</b>		<b>907,375</b>
264	252	Inventories		233
50,325	58,994	Debtors	23	58,768
2,238	1,544	Assets Held for Sale	18	1,536
38,620	17,989	Cash and Cash Equivalents	25	22,173
<b>91,447</b>	<b>78,779</b>	<b>Current Assets</b>		<b>82,710</b>
(3,219)	(3,125)	Provisions	26	(2,187)
(107,209)	(134,232)	Short term Borrowing	21,22	(187,257)
(95,443)	(102,834)	Creditors	27	(103,818)
<b>(205,871)</b>	<b>(240,191)</b>	<b>Current Liabilities</b>		<b>(293,262)</b>
<b>(114,424)</b>	<b>(161,412)</b>	<b>Net Current Assets/(Liabilities)</b>		<b>(210,552)</b>
(240,013)	(237,092)	Long Term Borrowing	21,22	(247,646)
(44,215)	(40,685)	Long Term Creditors (PFI & Finance Leases)	21,28	(54,282)
(86,494)	(17,389)	Pensions Liability	12	(14,353)
(4,462)	(3,421)	Capital Grants Receipts in Advance	41	(3,653)
<b>(375,184)</b>	<b>(298,587)</b>	<b>Long Term Liabilities</b>		<b>(319,934)</b>
<b>360,222</b>	<b>422,236</b>	<b>Net Assets/(Liabilities)</b>		<b>376,889</b>
128,677	122,702	Useable Reserves	29,30	107,985
231,545	299,534	Unusable Reserves	31	268,904
<b>360,222</b>	<b>422,236</b>	<b>Net Reserves</b>		<b>376,889</b>

## 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.

2023/24 (Restated) £000		2024/25 £000
(4,208)	Net (surplus) or deficit on the provision of services	57,158
(28,767)	Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 36)	(53,321)
45,118	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 37)	42,923
<b>12,143</b>	<b>Net cash flows from Operating Activities</b>	<b>46,760</b>
29,651	Investing Activities (Note 38)	15,998
(21,163)	Financing Activities (Note 39)	(66,942)
<b>20,631</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>(4,184)</b>
<b>38,620</b>	Cash and cash equivalents at the beginning of the reporting period	<b>17,989</b>
<b>17,989</b>	Cash and cash equivalents at the end of the reporting period (Note 25)	<b>22,173</b>

# 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 2024/25 (COP), based on International Financial Reporting Standards (IFRS), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). This is supported by a number of 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 £210.6m, 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 2024/25 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.

#### **I) 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.

### **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).

Depreciation 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 31<sup>st</sup> March 2025 there were 10 significant capital contracts in place with commitments into future years. This commitment totalled £41.476m 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 2024/25 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 2025.

#### **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 2017/8 and as such these assets no longer appear on the Council's 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 2024/25, the Council funded £1.136m 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 in to 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 schools 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 2025/26 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) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability),
- b) IFRS 17 Insurance contracts, and
- c) Adoptions and interpretations of IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets.

It is likely there will be limited application of items a) and b), although authorities will need to consider their individual circumstances in case either of these standards apply.

### **Re-analysis of Resource & Expenditure**

A reorganisation of the Councils Senior Management Team during the reporting period has led to a change in the segmental reporting associated with the Comprehensive Income & Expenditure Statement (CIES) and the Expenditure & Funding Statement (EFA). To make prior year comparators, both disclosures have been restated as follows:

#### **CIES – Net Expenditure (EFA Net Expenditure in CIES)**

	<b>Original 2023/24 £000</b>	<b>Reorg. Impact £000</b>	<b>Restated 2023/24 £000</b>
Adult Social Care	72,324	(338)	71,986
Children's Safeguarding & Family Support	45,882	162	46,044
Communities, Customer & Commercial Services	6,913	(6,913)	0
Corporate Communications	856	0	856
Council Wide	(13,511)	1,938	(11,573)
Education & Skills	7,783	0	7,783
Finance & Human Resources	18,422	(18,422)	0
Finance People & IDT	-	23,685	23,685
Health & Wellbeing	1,245	(859)	386
Housing, Employment & Infrastructure	5,539	(5,539)	0
Housing, Customer & Commercial Services	-	5,126	5,126
Neighbourhood & Enforcement Services	33,390	(371)	33,019
Policy & Governance	5,916	10	5,926
Prosperity & Investment	7,330	1,521	8,851
<b>Net Cost of Service</b>	<b>192,089</b>	<b>0</b>	<b>192,089</b>

A review of the Councils Fixed Assets alongside the CIPFA Code of Practice, during the reporting period has concluded that several assets previously classified as Property Plant & Equipment align to the definition of Investment Property i.e. the reason for holding the assets as being held solely to earn rentals or for capital appreciation or both. As such these assets have been reclassified as Investment Property.

These reclassifications have impacted on previous years reported information in all the Primary Financial Statements and the Expenditure and Funding Analysis (EFA) which are re-presented below. The Code requires that the Balance Sheet for 2022/23 is also re-presented.

## Prior Period Adjustments relating to 2022/23

### Balance Sheet

	31 March 2023 £000	Reclassification of Investment Property to PPE £000	31 March 2023 Restated £000
Property, Plant & Equipment	780,181	(42,807)	737,374
Investment Property	0	42,807	42,807
Long Term Assets	849,830	0	849,830
<b>Net Assets / (Liabilities)</b>	<b>360,222</b>	<b>0</b>	<b>360,222</b>
Usable Reserves	128,677	0	128,677
Unusable Reserves	231,545	0	231,545
<b>Net Reserve</b>	<b>360,222</b>	<b>0</b>	<b>360,222</b>

## Prior Period Adjustments relating to 2023/24

### Expenditure and Funding Analysis

SERVICE	2023/24			Reclassification of PPE to Investment Property £000	2023/24 Restated		
	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		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
Adult Social Care	73,868	(1,882)	71,986	0	73,868	(1,882)	71,986
Children's Safeguarding & Family Support	49,921	(3,877)	46,044	0	49,921	(3,877)	46,044
Corporate Communications	(28)	884	856	0	(28)	884	856
Council Wide	(11,141)	(432)	(11,573)	0	(11,141)	(432)	(11,573)
Education & Skills	7,337	446	7,783	0	7,337	446	7,783
Finance, People & IDT	8	23,677	23,685	0	8	23,677	23,685
Health & WellBeing	43	343	386	0	43	343	386
Housing, Commercial & Customer Services	6,860	(1,734)	5,126	0	6,860	(1,734)	5,126
Neighbourhood & Enforcement Services	25,698	7,321	33,019	0	25,698	7,321	33,019
Policy & Governance	1,320	4,606	5,926	0	1,320	4,606	5,926
Prosperity & Investment	(7,486)	16,337	8,851	2,301	(7,486)	18,638	11,152
<b>Net Cost of Services</b>	<b>146,400</b>	<b>45,689</b>	<b>192,089</b>	<b>2,301</b>	<b>146,400</b>	<b>47,990</b>	<b>194,390</b>
Other Income & Expenditure	(146,415)	(47,184)	(193,599)	(4,999)	(146,415)	(52,183)	(198,598)
<b>(Surplus) or Deficit</b>	<b>(15)</b>	<b>(1,495)</b>	<b>(1,510)</b>	<b>(2,698)</b>	<b>(15)</b>	<b>(4,193)</b>	<b>(4,208)</b>
Opening General Fund Balance	4,721				4,721		
Surplus or (Deficit) for year	15				15		
Other approved uses	(167)				(167)		
<b>Closing General Fund Balance</b>	<b>4,569</b>				<b>4,569</b>		

## Comprehensive Income & Expenditure Statement

SERVICE	2023/24 Gross Expenditure £000	2023/24 Income £000	2023/24 Net Expenditure £000	Reclassification of PPE to Investment Property £000	2023/24 Restated Gross Expenditure £000	2023/24 Restated Income £000	2023/24 Restated Net Expenditure £000
Adult Social Care	116,876	44,890	71,986		116,876	44,890	71,986
Children's Safeguarding & Family Support	60,413	14,369	46,044		60,413	14,369	46,044
Corporate Communications	895	39	856		895	39	856
Council Wide	9,098	20,671	(11,573)		9,098	20,671	(11,573)
Education & Skills	154,179	146,396	7,783		154,179	146,396	7,783
Finance, People & IDT	31,574	7,889	23,685		31,574	7,889	23,685
Health, Wellbeing & Commissioning	10,873	10,487	386		10,873	10,487	386
Housing, Commercial & Customer Services	83,154	78,028	5,126		83,154	78,028	5,126
Neighbourhood & Enforcement Services	45,933	12,914	33,019		45,933	12,914	33,019
Policy & Governance	8,318	2,392	5,926		8,318	2,392	5,926
Prosperity & Investment	31,176	22,325	8,851	2,301	30,763	19,611	11,152
<b>Net Cost of Service</b>	<b>552,489</b>	<b>360,400</b>	<b>192,089</b>	<b>2,301</b>	<b>552,076</b>	<b>357,686</b>	<b>194,390</b>
Other Operating Expenditure			4,548	0			4,548
Financing & Investment Income & Expenditure			14,129	(4,999)			9,130
Taxation & Non-Specific Grant Income & Expenditure			(212,276)	0			(212,276)
<b>(Surplus) or Deficit on Provision of Services</b>			<b>(1,510)</b>	<b>(2,698)</b>			<b>(4,208)</b>
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			12,151	2,698			14,849
(Surplus) or deficit on revaluation of Available for Sale financial assets			0	0			0
Re-measurements of the net defined benefit pension liability			(72,655)	0			(72,655)
<b>Other Comprehensive Income &amp; Expenditure</b>			<b>(60,504)</b>	<b>2,698</b>			<b>(57,806)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(62,014)</b>	<b>0</b>			<b>(62,014)</b>

## Movement in Reserves Statement

	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31 March 2023 Brought Forward</b>	<b>128,677</b>	<b>231,545</b>	<b>360,222</b>
Total Comprehensive Income and Expenditure	1,510	60,504	<b>62,014</b>
Adjustments between accounting basis & funding basis under regulations (Note 14)	(7,485)	7,485	<b>0</b>
<b>Increase/ (Decrease) in 2023/24</b>	<b>(5,975)</b>	<b>67,989</b>	<b>62,014</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>122,702</b>	<b>299,534</b>	<b>422,236</b>
Reclassification of PPE to Investment Property	2,698	(2,698)	<b>0</b>
Restatement of Total Comprehensive Income and Expenditure	4,208	57,806	<b>62,014</b>
Restatements of Adjustments between accounting basis & funding basis under regulations (Note 14)	(10,183)	10,183	<b>0</b>
<b>Increase/ (Decrease) in 2023/24 Restated</b>	<b>(5,975)</b>	<b>67,989</b>	<b>62,014</b>
<b>Balance at 31 March 2024 carried forward Restated</b>	<b>122,702</b>	<b>299,534</b>	<b>422,236</b>

## Balance Sheet

	31 March 2024 £000	Reclassification of Investment Property to PPE £000	31 March 2024 Restated £000
Property, Plant & Equipment	802,559	(46,575)	755,984
Investment Property	0	46,575	46,575
Long Term Assets	882,235	0	882,235
<b>Net Assets / (Liabilities)</b>	<b>422,236</b>	<b>0</b>	<b>422,236</b>
Usable Reserves	122,702	0	122,702
Unusable Reserves	299,534	0	299,534
<b>Net Reserve</b>	<b>422,236</b>	<b>0</b>	<b>422,236</b>

## Cash Flow Statement

	2023/24 £000	Reclassification PPE to Investment Property £000	2023/24 Restated £000
Net (surplus) or deficit on the provision of services	(1,510)	(2,698)	(4,208)
Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 36)	(32,000)	3,233	(28,767)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 37)	45,118	0	45,118
<b>Net cash flows from Operating Activities</b>	<b>11,608</b>	<b>535</b>	<b>12,143</b>
Investing Activities (Note 38)	30,186	(535)	29,651
Financing Activities (Note 39)	(21,163)	0	(21,163)
<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>20,631</b>	<b>0</b>	<b>20,631</b>
<hr/>			
Cash and cash equivalents at the beginning of the reporting period	<b>38,620</b>	<b>0</b>	<b>38,620</b>
Cash and cash equivalents at the end of the reporting period (Note 25)	<b>17,989</b>	<b>0</b>	<b>17,989</b>

## Disclosure Note 8. Financing and Investment Expenditure and Income

	2023/24 £000	Reclassification PPE to Investment Property £000	2023/24 Restated £000
Interest payable and similar charges	13,552	0	13,552
Interest receivable and similar income	(2,787)	0	(2,787)
Pensions interest cost and expected return on pension assets	3,364	0	3,364
Income and expenditure in relation to Investment Property and changes in Fair Value	0	(4,999)	(4,999)
<b>Total Financing and Investment Expenditure and Income</b>	<b>14,129</b>	<b>(4,999)</b>	<b>9,130</b>

## Disclosure Note 15a Property Plant & Equipment

	2023/24 Total PPE £000	Adjustment for Investment Property Review £000	2023/24 Restated PPE £000
<b>Cost or Valuation</b>			
<b>At 1 April 2023</b>	<b>603,480</b>	<b>(42,807)</b>	<b>560,673</b>
Additions	45,812	(535)	45,277
Revaluation increases/(decreases) recognised in the revaluation Reserve	(20,954)	(2,696)	(23,650)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on Provision of Services	(8,106)	(537)	(8,643)
Derecognition – Disposals	(5)	0	(5)
Assets reclassified within PPE	0	0	0
Assets reclassified (to)/from Investment Property	0	0	0
Assets reclassified (to)/from Intangible Assets	0	0	0

	2023/24 Total PPE £000	Adjustment for Investment Property Review £000	2023/24 Restated PPE £000
Assets reclassified (to)/from Assets Held for Sale	0	0	0
At 31 March 2024	620,227	(46,575)	573,652
<b>Less accumulated Depreciation and Impairment</b>			
At 1 April 2023	52,874	0	52,874
Depreciation Charge	10,441	0	10,441
Depreciation written out to the Revaluation reserve	(8,802)	0	(8,802)
Depreciation written out recognised in the Surplus/(Deficit) on the Provision of Services	(568)	0	(568)
Impairment loss/(reversals) recognised in the Surplus/(Deficit) on the Provision of Services	0	0	0
Derecognition – Disposals	0	0	0
<b>At 31 March 2024</b>	<b>53,945</b>	<b>0</b>	<b>53,945</b>
<b>Net Book Value</b>			
At 31 March 2024	566,282	(46,575)	519,707
At 31 March 2023	550,606	(42,807)	507,799
<b>Nature of Holding</b>			
Owned	378,218	0	378,218
Leased	40	0	40
PIP	169,681	(46,575)	123,106
PFI	18,343	0	18,343
<b>Total</b>	<b>566,282</b>	<b>(46,575)</b>	<b>519,707</b>

### PPE Reconciliation to Balance Sheet

	2023/24 Total PPE £000	Adjustment for Investment Property Review £000	2023/24 Restated PPE £000
Infrastructure Assets	236,277	0	236,277
Other PPE Assets	566,282	(46,575)	519,707
<b>Total PPE Assets as per the Balance Sheet</b>	<b>802,559</b>	<b>(46,575)</b>	<b>755,984</b>

### Disclosure Note 15b Investment Property

	2023/24 Total PPE £000	Adjustment for Investment Property Review £000	2023/24 Restated PPE £000
<b>Balance Brought Forward</b>	<b>0</b>	<b>42,807</b>	<b>42,807</b>
Additions	0	535	535
Revaluation increases/(decreases) recognised in the Revaluation Reserve	0	0	0
Revaluation increases/(decreases) met from the Net Surplus/(Deficit) on the Provision of Services	0	3,233	3,233
Disposals	0	0	0
Transfers (to)/from Property Plant & Equipment	0	0	0
Transfers (to)/from Assets Held for Sales	0	0	0
<b>Balance Carried Forward</b>	<b>0</b>	<b>46,575</b>	<b>46,575</b>

	2023/24 Total PPE £000	Adjustment for Investment Property Review £000	2023/24 Restated PPE £000
Rental & other income from Investment Property	0	(2,714)	(2,714)
Direct operating expenses arising from Investment Property	0	948	948
<b>Net Operational (Gain)/Loss</b>	<b>0</b>	<b>(1,766)</b>	<b>(1,766)</b>
Net (gain)/loss on revaluation of properties	0	(3,233)	(3,233)
<b>Total (Gain)/Loss</b>	<b>0</b>	<b>(4,999)</b>	<b>(4,999)</b>

### **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 arrangements 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.
- Pension Fund Liability – an actuarial evaluation of the Shropshire Local Government Pension Fund is undertaken every three years by the Fund actuary, Mercers, with annual updates in the intervening years. The methodology used is in line with IAS 19. Estimates of Pension Assets and Liabilities are sensitive to actuarial assumptions and can vary significantly based on changes to these assumptions.
- Recognition of Schools – the Council recognises the land and buildings used by schools in line with the provisions of the Codes of Practice. An assessment of the different schools operated has been undertaken to determine the accounting treatment (see Note 1(af) above).
- Revenue from contracts with service recipients (IFRS 15) – 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.

#### **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 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Actual Results Differ from Assumptions</b>
<b>Property, Plant &amp; Equipment</b>	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 £2.3m for every year that useful lives had to be reduced.
<b>Property, Plant &amp; Equipment and Investment Property</b>	The war in Ukraine continues to affect the global markets. 2023 has also seen a significant escalation of events in the Middle East, thus impacting on the global markets and creating the subsequent transport issues through the Red Sea and Suez Canal, increasing prices and lead in times for the supply of goods including building materials. The pressures on inflation in the UK are slowing down, as the rate of these price increases fall. The UK entered recession for a short period at the end of 2023 and economic growth remains weak, with rising unemployment levels. Interest rates appear to have stabilised, and the rate of inflation is moving in the downward direction. Investors remain cautious due to the overall	A 1% movement on the valuation of Land & Buildings equates to +/- £4.9m  A 1% movement on the valuation of Investment Property equates to +/- £0.5m

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>economic uncertainty. Demand continues to be strong for rental accommodation, and although rental levels are expected to rise, this is expected to be at a much slower rate. The strong demand for online shopping continues, and although there has been a shift back to physical retail activity, this remains a mixed picture. There is the expectation that real incomes will continue to fall with costs still rising, and as fixed mortgage rates end, households will be required to adjust to the higher interest rates.</p> <p>Modern Methods of Construction (MMC) is encouraged nationally and accords with the government's thinking on the efficiency and modernisation of construction sites. It has not been seen in Telford to any great extent due to the costs involved in using it on residential sites. Larger Homes England sites include MMC and requirements to build at a specified pace within their tenders; bids are offered taking this into account. WMCA have agreed to push forward with the promotion of MMC for the region and only time will tell how costs and timescales are affected by Brexit and other ongoing factors.</p> <p>Telford has always had a strong manufacturing base and is a thriving hub for business, with growth rates consistently higher than the West Midlands for new business and job creation. However, consumer demand is currently uncertain due to the impact of higher costs, and the rate of unemployment has risen both nationally and locally, with a reduction in the number of vacancies overall. Although maintaining the trend, unemployment rates are lower in Telford &amp; Wrekin than across the wider West Midlands.</p>	
<b>Pensions Liability</b>	<p>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,</p>	<p>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</p>

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
	<p>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.</p>	<p>rate assumption would result in an increase in the pension surplus, before the ceiling impact of £44.8m. However, the assumptions interact in complex ways.</p> <p>Asset values included in the 2024/25 accounting figures equates to £32.7m of the property fund assets attributable to the Council. If these asset valuations were overstated by 10% this would have a £3.3m impact on the net pension liability.</p>
<b>Arrears</b>	<p>At 31 March 2025, the Authority had a balance of £66.0m for sundry debtors. The Council has set aside a bad debts provision of £7.25m (11.0%) in relation to these. It is our view that this level of provision is sufficient.</p> <p>The potential ongoing impact of the Cost-of-Living crisis has created uncertainty around future collection rates. However, it is not possible to predict the long-term implications.</p>	<p>If collection rates were to deteriorate, an increase in bad debt of 5% would require an additional £3.3m to be set aside in the provision.</p>
<b>Single Status</b>	<p>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 1<sup>st</sup> 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.</p>	<p>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 £0.089m</p>

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 February 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 2024/25 are as follows:

	<b>Central Expenditure £000</b>	<b>Individual Schools Budget £000</b>	<b>Total £000</b>
Final DSG for 2024/25 before Academy & High Needs Recoupment			225,157
Academy & High Needs figure recouped for 2024/25			(101,492)
<b>Total DSG after Academy &amp; High Needs recoupment for 2024/25</b>			<b>123,665</b>
Plus: Brought forward from Prior Year			0
<b>Agreed Budgeted Distribution in 2024/25</b>	<b>30,337</b>	<b>93,328</b>	<b>123,665</b>
In Year Adjustments	0	(427)	(427)
<b>Final Budget Distribution for 2024/25</b>	<b>30,337</b>	<b>92,901</b>	<b>123,238</b>
Less: Actual Central Expenditure	(33,745)		(33,745)
Less: Actual ISB deployed to Schools		(92,332)	(92,332)
<b>In Year Carry Forward to 2024/25</b>	<b>(3,408)</b>	<b>569</b>	<b>(2,839)</b>
Plus: Carry Forward to 2024/25 agreed in advance	0	0	0
<b>Carry Forward to 2025/26</b>			<b>(2,839)</b>
<b>DSG unusable reserve at the end of 2023/24</b>			<b>(1,823)</b>
Addition to DSG unusable reserve at the end of 2024/25			(2,839)
<b>Total of DSG unusable reserve at the end of 2024/25</b>			<b>(4,662)</b>
<b>Net DSG Position at the end of 2024/25</b>			<b>(4,662)</b>

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**

<b>2023/24 £000</b>		<b>2024/25 £000</b>
5,311	Parish Council Precepts	6,139
66	Payment of RSG to Parishes	33
0	(Gains)/losses on the disposal of non-current assets – Academies and Trust Schools	0
(829)	(Gains)/losses on the disposal of non-current assets – Other Assets	(2,183)
<b>4,548</b>	<b>Total</b>	<b>3,989</b>

## 8. Financing and Investment Income and Expenditure

2023/24 (Restated) £000		2024/25 £000
13,552	Interest payable and similar charges	17,274
(2,787)	Interest receivable and similar income	(3,490)
3,364	Pensions interest cost and expected return on pensions assets	356
(4,999)	Income & expenditure in relation to Investment Property and changes in Fair Value	(3,920)
<b>9,130</b>	<b>Total</b>	<b>10,220</b>

## 9. Taxation and Non-Specific Grant Income and Expenditure

2023/24 £000		2024/25 £000
(86,613)	Council tax income	(93,748)
(1,127)	Collection Fund (Surplus)/Deficit	(1,416)
(37,421)	Non-Domestic Business Rates	(39,080)
(5,687)	Non-Domestic Business Rates Top Up Grant	(5,988)
(11,623)	Revenue Support Grant	(12,393)
(11,684)	Section 31 Grant	(13,290)
(58,121)	Capital Grants and Contributions	(41,138)
<b>(212,276)</b>	<b>Total</b>	<b>(207,053)</b>

## 10. Expenditure and Income Analysed by Nature

2023/24 (Restated) £000		2024/25 £000
	<b>Expenditure</b>	
202,678	Employee benefits expenses	199,433
326,164	Other services benefits	369,719
24,311	Depreciation, amortisation and impairment	63,817
15,736	Interest Payments	19,531
5,377	Precepts and levies	6,172
(829)	Gains / (losses) on disposal of assets	(2,183)
<b>573,437</b>	<b>Expenditure Total</b>	<b>656,489</b>
	<b>Income</b>	
(78,885)	Fees, charges and other service income	(90,170)
(4,989)	Interest & investment income	(5,769)
(130,848)	Income from Council Tax & NDR	(140,232)
(362,923)	Government Grants and other contributions	(363,160)
<b>(577,645)</b>	<b>Income Total</b>	<b>(599,331)</b>
<b>(4,208)</b>	<b>(Surplus) / Deficit on the Provision of Services</b>	<b>57,158</b>

## 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 £114.4m over 2024/25, from a deficit of £17.4m to a surplus of £97.0m. This is mainly due to a large reduction in liabilities, which in turn was driven mainly by a change in assumptions over the year reflecting market conditions at the year-end. There was an increase of 1.0% in the discount rate (essentially the assumed future investment return) which caused a gain of £107.4m. Additionally, there was a gain of £2.3m due to changes in demographic assumptions used and a further £2.5m gain due to better than assumed investment performance (with a further gain of £2.2m due to other minor factors).

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 £14.3m 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 2023/24).

The estimated contributions expected to be paid into the Local Government Pension Scheme next year are £18.895m. The contribution rate was set for 2025/26 at 17.2% (2024/25 17.2%), plus a lump sum. The combined rate for 2025/26 is estimated at 18.8%.

Actuarial Gains and Losses are recognised immediately through Other Comprehensive Income. As at the 31<sup>st</sup> March 2025 the cumulative amount of actuarial gain recognised in the statements is £168.14m.

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

2023/24 £000		2024/25 £000
(726,831)	Present Value of Funded Benefit Obligations	(645,674)
(6,086)	Present Value of Unfunded Benefit Obligations	(5,371)
<b>(732,917)</b>	<b>Total Present Value of Benefit Obligations</b>	<b>(651,045)</b>
715,528	Fair Value of Pension Fund Assets	748,083
0	Adjustment for Asset Ceiling Calculation 2024/25	(111,391)
<b>(17,389)</b>	<b>Surplus/(Deficit)</b>	<b>(14,353)</b>

### Change in Benefit Obligation during year

2023/24 £000		2024/25 £000
(728,722)	Benefit Obligation at Beginning of Year	(732,917)
(16,989)	Current Service Cost	(15,740)
(34,461)	Interest on Pension Liabilities	(35,339)
(6,309)	Member Contributions	(6,266)
26,493	Re-measurements (Liabilities)	109,961
(32)	Past Service Costs	(124)
(813)	Curtailment Cost	(351)
27,916	Benefits / Transfers Paid	29,731

2023/24 £000		2024/25 £000
<b>(732,917)</b>	<b>Benefit Obligation at End of Year</b>	<b>(651,045)</b>

### Change in Plan Assets during year

2023/24 £000		2024/25 £000
642,228	Fair Value of Plan Assets at Beginning of Year	715,528
31,097	Expected Return on Plan Assets	34,983
46,162	Re-measurements (Assets)	2,476
18,451	Employer Contributions	19,366
6,309	Member Contributions	6,266
(803)	Administration Expenses	(805)
(27,916)	Benefits / Transfers Paid	(29,731)
<b>715,528</b>	<b>Plan Assets at End of Year</b>	<b>748,083</b>

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

2023/24			2024/25	
£000	%		£000	%
404,560	56.5	Equity Investments	440,995	58.9
104,395	14.6	Government Bonds	100,543	13.4
0	0.0	Other Bonds	0	0.0
25,187	3.5	Property	32,691	4.4
10,017	1.4	Cash/Liquidity	4,937	0.7
171,369	24.0	Other	168,917	22.6
<b>715,528</b>	<b>100.0</b>	<b>Total</b>	<b>748,083</b>	<b>100.0</b>

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 2022 and was implemented in April 2023.

The main assumptions used in the calculations are:

2023/24		2024/25
2.6%	- rate of inflation (CPI)	2.6%
3.9%	- rate of increase in salaries	3.9%
2.7%	- rate of increase in pensions	2.8%
50.0%	- proportion of employees opting to take a commuted lump sum	50.0%
4.9%	- rate for discounting scheme liabilities	5.9%
	- longevity at 65 for current pensioners	
21.8	Male	21.8

2023/24		2024/25
24.2	Female	24.3
	- longevity at 65 for future pensioners	
23.1	Male	23.1
26.0	Female	26.0

Changes to the pension scheme permit employees retiring on or after 6<sup>th</sup> 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 31<sup>st</sup> March 2025

Disclosure Item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
	£000	£000	£000	£000	£000	£000	£000
Liabilities	651,045	606,219	674,686	654,562	664,135	651,045	651,045
Assets	(748,083)	(748,083)	(748,083)	(748,083)	(748,083)	(755,548)	(740,618)
<b>Deficit / (Surplus)*</b>	<b>(97,038)</b>	<b>(141,864)</b>	<b>(73,397)</b>	<b>(93,521)</b>	<b>(83,948)</b>	<b>(104,503)</b>	<b>(89,573)</b>
Projected Service Cost for next year	11,254	9,485	12,224	11,254	11,539	11,254	11,254
Projected Net Interest Cost for next year	(6,283)	(9,684)	(4,871)	(6,058)	(5,493)	(6,724)	(5,843)

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

#### Pensions Asset / Liability Account

2023/24 £000		2024/25 £000
(86,494)	Opening Balance	(17,389)
(845)	Past Service Cost - Added Years	(475)
(16,989)	Current Service Cost	(15,740)
(34,461)	Interest Cost	(35,339)
31,097	Return On Assets	34,983
18,451	Payments to Pension Fund	19,366
(803)	Administration Expenses	(805)
72,655	Actuarial Gain or (Loss)	112,437
0	Adjustment for Asset Ceiling 2024/25*	(111,391)
<b>(17,389)</b>	<b>Closing Balance</b>	<b>(14,353)</b>

## Pensions Reserve

2023/24 £000		2024/25 £000
86,494	Opening Balance	17,389
845	Past Service Cost - Added Years	475
(18,451)	Charging Pensions Costs Payable	(19,366)
21,156	Reversing Out IAS 19 Items	16,901
(72,655)	Actuarial (Gain) or Loss	(112,437)
0	Adjustment for Asset Ceiling 2024/25*	111,391
<b>17,389</b>	<b>Closing Balance</b>	<b>14,353</b>

\* 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 charge of £1.046m as at 31 March 2025 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 2024/25 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 notional fund as the basis for calculating the employers' contribution rate 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 2024/25 the Council paid an employer's contribution of £10,165,314 (£9,079,523 in 2023/24), representing 23.68% (23.68% in 2023/24) 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 2024/25 the Council paid an employer's contribution of £14,920 (£26,510 in 2023/24) representing 14.38% (14.38% in 2023/24) 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.

<b>2024/25</b>	<b>General Fund Balance &amp; Reserves £000</b>	<b>Capital Receipts Reserve £000</b>	<b>Capital Grants Unapplied £000</b>	<b>Movements in Unusable Reserves £000</b>
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
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
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Statutory provision for the financing of capital investment	(5,207)	0	0	5,207
<b>Adjustment primarily involving the Capital Grants Unapplied Account:</b>				

2024/25	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
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
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>				
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
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve:</b>				
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
<b>Adjustment primarily involving the Financial Instruments Adjustment Account:</b>				
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
<b>Adjustments primarily involving the Pensions Reserve:</b>				
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
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>				
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
<b>Adjustments primarily involving the Accumulated Absences Account:</b>				

2024/25	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
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)
<b>Adjustments primarily involving the Dedicated Schools Grant</b>				
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)
<b>Total Adjustments</b>	<b>42,043</b>	<b>0</b>	<b>398</b>	<b>(42,441)</b>

Comparative Movements in 2023/24:

2023/24 (Restated)	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation and impairment of non-current assets	21,079	0	0	(21,079)
Movement in the market value of Investment Properties	3,233	0	0	(3,233)
Revenue expenditure funded from capital under statute	12,128	0	0	(12,128)
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	1,023	0	0	(1,023)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Statutory provision for the financing of capital investment	(4,363)	0	0	4,363
<b>Adjustment primarily involving the Capital Grants Unapplied Account:</b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(58,121)	0	58,121	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	(43,267)	43,267
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>				

<b>2023/24 (Restated)</b>	<b>General Fund Balance &amp; Reserves £000</b>	<b>Capital Receipts Reserve £000</b>	<b>Capital Grants Unapplied £000</b>	<b>Movements in Unusable Reserves £000</b>
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,852)	1,852	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(1,852)	0	1,852
<b>Adjustments primarily involving the Deferred Capital Receipts Reserve:</b>				
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
<b>Adjustment primarily involving the Financial Instruments Adjustment Account:</b>				
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	(231)	0	0	231
<b>Adjustments primarily involving the Pensions Reserve:</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 12)	22,001	0	0	(22,001)
Employer's pensions contributions and direct payments to pensioners payable in the year	(18,451)	0	0	18,451
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>				
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	(2,360)	0	0	2,360
<b>Adjustments primarily involving the Accumulated Absences Account:</b>				
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	(946)	0	0	946
<b>Adjustments primarily involving the Dedicated Schools Grant</b>				

2023/24 (Restated)	General Fund Balance & Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movements in Unusable Reserves £000
Amount by which the Council must not charge Dedicated Schools Grant deficits to the Comprehensive Income and Expenditure Statement	1,823	0	0	(1,823)
<b>Total Adjustments</b>	<b>(25,037)</b>	<b>0</b>	<b>14,854</b>	<b>10,183</b>

### 15a. Property, Plant & Equipment

Movements in 2024/25:

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
<b>Gross Book Value Brought Forward</b>	<b>499,746</b>	<b>41,951</b>	<b>31,955</b>	<b>0</b>	<b>573,652</b>
Additions	24,967	653	6,859	0	<b>32,479</b>
Revaluation increases/(decreases) recognised in the Revaluation Reserve	4,662	0	0	0	<b>4,662</b>
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(46,580)	(703)	(984)	0	<b>(48,267)</b>
Derecognition – disposals	0	0	0	0	<b>0</b>
Assets reclassified (to)/from PPE	7,217	0	(14,956)	7,739	<b>0</b>
Assets reclassified (to)/from Investment Properties	0	0	0	0	<b>0</b>
Assets reclassified (to)/from Intangible Assets	0	0	0	0	<b>0</b>
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	<b>0</b>
Assets reclassified (to)/from Right of Use	0	(41)	0	0	<b>(41)</b>
<b>Gross Book Value at 31 March 2025</b>	<b>490,012</b>	<b>41,860</b>	<b>22,874</b>	<b>7,739</b>	<b>562,485</b>

### Less Accumulated Depreciation

<b>Balance Brought Forward</b>	<b>15,759</b>	<b>38,186</b>	<b>0</b>	<b>0</b>	<b>53,945</b>
Depreciation charge	8,657	987	0	0	<b>9,644</b>
Depreciation written out to the Revaluation Reserve	(6,104)	0	0	0	<b>(6,104)</b>
Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	(3,005)	(595)	0	0	<b>(3,600)</b>
Impairment loss/(reversals) recognised in the surplus/deficit on the Provision of Services	0	0	0	0	<b>0</b>
Derecognition – disposals	0	0	0	0	<b>0</b>

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
<b>Depreciation at 31 March 2025</b>	<b>15,307</b>	<b>38,578</b>	<b>0</b>	<b>0</b>	<b>53,885</b>

**Net Book Value**

<b>at 31 March 2025</b>	<b>474,705</b>	<b>3,282</b>	<b>22,874</b>	<b>7,739</b>	<b>508,600</b>
<b>at 31 March 2024</b>	<b>483,987</b>	<b>3,765</b>	<b>31,955</b>	<b>0</b>	<b>519,707</b>

**Nature of Holding as 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
<b>Total</b>	<b>474,705</b>	<b>3,282</b>	<b>22,874</b>	<b>7,739</b>	<b>508,600</b>

Comparative Movements in 2023/24 (Restated):

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
<b>Gross Book Value Brought Forward</b>	<b>505,240</b>	<b>40,921</b>	<b>14,512</b>	<b>0</b>	<b>560,673</b>
Additions	28,369	1,030	15,878	0	45,277
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(23,650)	0	0	0	(23,650)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(8,643)	0	0	0	(8,643)
Derecognition – disposals	(5)	0	0	0	(5)
Assets reclassified (to)/from PPE	(1,565)	0	1,565	0	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
<b>At 31 March 2024</b>	<b>499,746</b>	<b>41,951</b>	<b>31,955</b>	<b>0</b>	<b>573,652</b>
<b>Less Accumulated Depreciation</b>					
<b>Balance Brought Forward</b>	<b>15,922</b>	<b>36,952</b>	<b>0</b>	<b>0</b>	<b>52,874</b>

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Depreciation charge	9,207	1,234	0	0	<b>10,441</b>
Depreciation written out to the Revaluation Reserve	(8,802)	0	0	0	<b>(8,802)</b>
Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	(568)	0	0	0	<b>(568)</b>
Impairment loss/(reversals) recognised in the surplus/deficit on the Provision of Services	0	0	0	0	<b>0</b>
Derecognition – disposals	0	0	0	0	<b>0</b>
<b>At 31 March 2024</b>	<b>15,759</b>	<b>38,186</b>	<b>0</b>	<b>0</b>	<b>53,945</b>
<b>Net Book Value</b>					
<b>at 31 March 2024</b>	<b>483,987</b>	<b>3,765</b>	<b>31,955</b>	<b>0</b>	<b>519,707</b>
<b>at 31 March 2023</b>	<b>489,318</b>	<b>3,969</b>	<b>14,512</b>	<b>0</b>	<b>507,799</b>
<b>Nature of Holding at 31 March 2024</b>					
Owned	372,928	3,725	1,565	0	<b>378,218</b>
Leased	0	40	0	0	<b>40</b>
Property Investment Portfolio	92,716	0	30,390	0	<b>123,106</b>
PFI	18,343	0	0	0	<b>18,343</b>
<b>Total</b>	<b>483,987</b>	<b>3,765</b>	<b>31,955</b>	<b>0</b>	<b>519,707</b>

### Property Investment Portfolio and PFI Assets

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. Contained within Property Plant and Equipment are the following asset valuations relating to the Council's Property Investment Portfolio along with assets that have been delivered through the PFI contract and which remain in the Council's control.

2023/24 (Restated)				2024/25	
Property Investment Portfolio Assets included in PPE	PFI Assets Included in PPE			Property Investment Portfolio Assets included in PPE	PFI Assets Included in PPE
£000	£000			£000	£000
<b>103,497</b>	<b>20,934</b>	<b>Gross Book Value Brought Forward</b>		<b>123,106</b>	<b>18,469</b>
23,051	15	Additions		14,594	15
702	(2,484)	Revaluation increases/(decreases) recognised in the Revaluation Reserve		17,919	415
(4,144)	4	Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services		(12,870)	(238)
0	0	Derecognition – disposals		0	0
0	0	Assets reclassified (to)/from PPE		0	0
<b>123,106</b>	<b>18,469</b>	<b>Gross Book Value Closing Balance</b>		<b>142,749</b>	<b>18,661</b>
<b>Less Accumulated Depreciation</b>					
<b>0</b>	<b>162</b>	<b>Balance Brought Forward</b>		<b>0</b>	<b>197</b>
0	441	Depreciation charge		0	407
0	(406)	Depreciation written out to the Revaluation Reserve		0	(348)
0	0	Depreciation written out recognised in the Surplus/Deficit on the Provision of Services		0	(140)
<b>0</b>	<b>197</b>	<b>Depreciation Closing Balance</b>		<b>0</b>	<b>116</b>
<b>123,106</b>	<b>18,272</b>	<b>Net Book Value Closing Balance</b>		<b>142,749</b>	<b>18,545</b>

## 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.

2023/24 £000		2024/25 £000
<b>229,575</b>	<b>Net Book value (Modified historical cost) Brought Forward</b>	<b>236,277</b>
<b>Balance</b>		
13,590	Additions	10,725
0	Derecognition	0
(6,888)	Depreciation	(7,228)
0	Impairment	0
0	Other movements in cost	0
<b>236,277</b>	<b>Net Book Value Balance carried forward</b>	<b>239,774</b>

### Reconciliation to Balance Sheet

2023/24 (Restated) £000		2024/25 £000
236,277	Infrastructure Assets	239,774
519,707	Other PPE assets	508,600
<b>755,984</b>	<b>Total PPE Assets as per Balance Sheet</b>	<b>748,374</b>

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 2025, the Authority has entered into 10 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 £41.476m. Similar commitments at 31 March 2024 were £27.668m. The major commitments are:

- The re-generation and re-development of Station Quarter; incorporates 3 contracts with outstanding commitments of £21.591m at 31 March 2025.
- The expansion of Millbrook Primary School; £1.738m was outstanding at 31 March 2025.
- The expansion of Ercall Wood Academy; £3.285m was outstanding at 31 March 2025
- The development of Gower Street, St. Georges; £1.451m was outstanding at 31 March 2025.
- The development of Wellington and Oakengates district centres which form parts of the Council's Towns Fund project; incorporates 2 contracts with outstanding commitments of £3.347m at 31 March 2025.
- The development of a new care facility; £2.497m was outstanding at 31 March 2025.

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**

During 2024/25, the authority has completed a review of the property assets it holds and has determined that a number of individual sites meet CIPFA's definition of 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:

<b>2023/24 (Restated) £000</b>		<b>2024/25 £000</b>
<b>42,807</b>	<b>Balance Brought Forward</b>	<b>46,575</b>
535	Additions	368
0	Revaluation increase/(decrease) recognised in the revaluation reserve	0
3,233	Revaluation increase/(decrease) met from the Net Surplus/Deficit on the Provision of Services	1,820
0	Disposals	0
	Transfer:	
0	(to)/from Property, Plant & Equipment	0
<b>46,575</b>	<b>Balance Carried Forward</b>	<b>48,763</b>

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:

<b>2023/24 (Restated) £000</b>		<b>2024/25 £000</b>
(2,714)	Rental & other income from Property Portfolio	(3,230)
948	Direct operating expenses arising from Property Portfolio	1,130
<b>(1,766)</b>	<b>Net Operational (Gain)/Loss</b>	<b>(2,100)</b>
(3,233)	Net (gain)/loss on revaluation of properties	(1,820)
<b>(4,999)</b>	<b>Total (Gain)/Loss</b>	<b>(3,920)</b>

## **16. Valuation of Property Plant & Equipment**

The Council's property, that was due to be valued this year, was valued on 31<sup>st</sup> December 2024 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 2025 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.

Other Land & Buildings, with the exception of investment assets and those assets identified with a high value are valued over a 3-year rolling programme. 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 rolling 3 years.

	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Asset Under Construction £000	Total Property Plant & Equipment £000
Carried at Historic Cost	14,354	41,951	31,955	<b>88,260</b>
Valued @ 31 March 2023	64,164	0	0	<b>64,164</b>
Valued @ 31 March 2024	20,803	0	0	<b>20,803</b>
Valued @ 31 March 2025	400,425	0	0	<b>400,425</b>
<b>Total Cost or Valuation</b>	<b>499,746</b>	<b>41,951</b>	<b>31,955</b>	<b>573,652</b>

## 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:

2023/24 £000		2024/25 £000
	Balance at start of the year	
16,997	Gross Carrying Amount	20,240
(11,568)	- Accumulated Amortisation	(13,713)
<b>5,429</b>	<b>Net Carrying Amount Brought Forward</b>	<b>6,527</b>
	In year movements	
3,244	Purchases	4,351
0	Revaluation Gain/(Loss) & Impairments met from the Surplus/Deficit on the Provision of Services	(172)
(2,146)	Amortisation for the Period	(2,819)
<b>1,098</b>	<b>Net Movements in Year</b>	<b>1,360</b>
	Balance at end of the year	
20,241	Gross Carrying Amount (inc. Revaluation increase/(decrease))	24,419
(13,714)	Accumulated Amortisation	(16,532)
<b>6,527</b>	<b>Net Carrying Amount Carried Forward</b>	<b>7,887</b>

## 18. Assets Held for Sale

2023/24 £000		2024/25 £000
<b>2,238</b>	<b>Balance Brought Forward</b>	<b>1,544</b>
325	Additions	257
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
0	Revaluation Gain/(Loss) & Impairments met from the Surplus/Deficit on the Provision of Services	(265)
(1,019)	Assets sold	0
<b>1,544</b>	<b>Balance Carried Forward</b>	<b>1,536</b>

## 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

Asset	Location
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 2024/25 the Authority has recognised a net revaluation loss of £32.518m (2023/24 revaluation loss £19.69m) in relation to Property, Plant & Equipment, Assets Held for Sale and Intangible Assets. Of this, a gain of £10.766m was recognised in the Revaluation Reserve and a loss of £43.284m 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				Total	
	Long Term Investments		Long Term Debtors		Investments (inc. Cash & Cash Equivalents)		Debtors			
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Fair Value through Profit and Loss</b>										
Amortised Cost										
Cash & Cash Equivalents					17,868	22,062			22,062	
Debtors*			773	862			32,334	32,369	33,231	
Debtors with Subsidiaries							1,099	646	646	
NuPlace Loan			50,176	62,257					62,257	
<b>Fair Value through other comprehensive income - designated equity instruments</b>									0	
<b>Fair value through other comprehensive income - other</b>									0	
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>50,949</b>	<b>63,119</b>	<b>17,868</b>	<b>22,062</b>	<b>33,433</b>	<b>33,015</b>	<b>118,196</b>	
Non-Financial Assets - Other					121	111	32,489	33,003	33,114	
Nuplace Equity	22,200	27,300							27,300	
<b>Total</b>	<b>22,200</b>	<b>27,300</b>	<b>50,949</b>	<b>63,119</b>	<b>17,989</b>	<b>22,173</b>	<b>65,922</b>	<b>66,018</b>	<b>178,610</b>	

## Financial Liabilities

	Non-Current				Current				Total 2024/25	
	Long Term Borrowing		Long Term Creditors		Short Term Borrowing		Creditors			
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Fair Value through Profit and Loss</b>										
Amortised Cost										
Borrowing	237,092	247,646			134,232	187,257			434,903	
PFI and finance lease Liabilities			40,685	54,282			3,887	3,771	58,053	
Other Creditors*							85,970	87,124	87,124	
<b>Total Financial Liabilities</b>	<b>237,092</b>	<b>247,646</b>	<b>40,685</b>	<b>54,282</b>	<b>134,232</b>	<b>187,257</b>	<b>89,857</b>	<b>90,895</b>	<b>580,080</b>	
Non-Financial Liabilities							12,977	12,923	12,923	
<b>Total</b>	<b>237,092</b>	<b>247,646</b>	<b>40,685</b>	<b>54,282</b>	<b>134,232</b>	<b>187,257</b>	<b>102,834</b>	<b>103,818</b>	<b>593,003</b>	

\* 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

	2023/24		2024/25	
	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
<b>Net Gain/Losses on:</b>				
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
<b>Total net gains loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Interest revenue:</b>				
Financial assets measured at amortised cost	0	(2,787)	0	(3,490)
Other financial assets measured at fair value through other comprehensive income	0	(4,999)	0	(3,920)
<b>Total interest revenue</b>	<b>0</b>	<b>(7,786)</b>	<b>0</b>	<b>(7,410)</b>
<b>Interest expense</b>	<b>0</b>	<b>16,916</b>	<b>0</b>	<b>17,639</b>
<b>Fee income</b>				
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
<b>Total fee income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fee expense</b>				

	2023/24		2024/25	
	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
<b>Total fee expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 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:

	2023/24		2024/25	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Financial Assets</b>				
Cash and Cash Equivalents	17,868	17,868	22,062	22,062
Other receivables	84,382	84,382	96,134	96,134
<b>Total Financial Assets</b>	<b>102,250</b>	<b>102,250</b>	<b>118,196</b>	<b>118,196</b>

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

	2023/24		2024/25	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
<b>Financial Liabilities</b>				
Borrowing	371,324	330,736	434,903	385,806
PFI and finance lease liabilities	44,572	44,572	58,053	58,053
Other payables	85,970	85,970	87,124	87,124
<b>Total Financial Liabilities</b>	<b>501,866</b>	<b>461,278</b>	<b>580,080</b>	<b>530,983</b>

The fair value of the liabilities is lower than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders above 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 2025			
	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
<b>Financial Assets</b>				
Cash and Cash Equivalents	0	22,062	0	<b>22,062</b>
Other receivables	0	96,134	0	<b>96,134</b>
<b>Total Financial Assets</b>	<b>0</b>	<b>118,196</b>	<b>0</b>	<b>118,196</b>
<b>Financial Liabilities</b>				
Borrowing	0	385,806	0	<b>385,806</b>
PFI and finance lease liabilities	0	58,053	0	<b>58,053</b>
Other payables	0	87,124	0	<b>87,124</b>
<b>Total Financial Liabilities</b>	<b>0</b>	<b>530,983</b>	<b>0</b>	<b>530,983</b>

	Original 31 March 2024 (Comparative Year)			
	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
<b>Financial Assets</b>				
Cash and Cash Equivalents	0	17,868	0	<b>17,868</b>
Other receivables	0	84,382	0	<b>84,382</b>
<b>Total Financial Assets</b>	<b>0</b>	<b>102,250</b>	<b>0</b>	<b>102,250</b>
<b>Financial Liabilities</b>				
Borrowing	0	330,736	0	<b>330,736</b>
PFI and finance lease liabilities	0	44,572	0	<b>44,572</b>
Other payables	0	85,970	0	<b>85,970</b>
<b>Total Financial Liabilities</b>	<b>0</b>	<b>461,278</b>	<b>0</b>	<b>461,278</b>

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 2025 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:

	<b>Nominal/ Principal 31/3/2025</b>	<b>Fair Value @ new loan rate 31/3/2025</b>	<b>Fair Value @ premature repayment rate 31/3/2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Financial Assets</b>			
Fixed Term Deposits	0	0	0
Other	27,300	27,300	27,300
<b>Financial Liabilities</b>			
Money Market Loans (inc. LOBO's)	35,000	26,605	37,326
PWLB Loans	251,693	251,693	210,991
Abundance Municipal Loans	178	178	178
Temporary Loans	148,032	148,032	148,032
	<b>434,903</b>	<b>426,508</b>	<b>396,527</b>

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 relatively interest rates at 31 March 2025 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 2025	Historical experience of default	Historical experience adjusted for market conditions at 31 March 2025 (rounded to 3 decimal place)	Estimated maximum exposure to default and collectability
	£000s	%	%	£000s
	A	B	C	A * C
Deposits with banks and financial institutions	0	0	0	0
Other	27,300	0	0	0
Debtors	59,572	0	15.252	9,086
<b>Total</b>	<b>86,872</b>	<b>0</b>	<b>10.459</b>	<b>9,086</b>

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, Link Treasury Services Ltd, 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 31<sup>st</sup> March 2025 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	(22,062)	187,257	165,195	1,652.0
Fixed	(27,300)	247,646	220,346	0.0
<b>Total</b>	<b>(49,362)</b>	<b>434,903</b>	<b>385,541</b>	<b>1,652.0</b>

A 1% change in interest rates would have an impact on the budget of £1.652m, this is because at 31<sup>st</sup> March 2025 more variable borrowing than variable investments were held. The most likely next move in interest rates at 31<sup>st</sup> March 2025 is downward and this would lead to a net reduction in borrowing costs based on the position at 31<sup>st</sup> March 2025. 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.	2023/24 £000	2024/25 £000
Public Works Loan Board	1.2	9.38	196,913	212,537
Money Market Loans (including LOBOs)	3.98	4.50	40,000	35,000
Abundance Municipal Investments	2.10	2.10	179	109
			<b>237,092</b>	<b>247,646</b>

Long term borrowing by maturity:

	2023/24 £000	2024/25 £000
Maturing in 1-2 years	17,791	34,062
Maturing in 2-5 years	34,542	36,787
Maturing in 5-10 years	49,852	55,725
Maturing in more than 10 years	134,907	121,072
	<b>237,092</b>	<b>247,646</b>

### Total Borrowing

	2023/24 £000	2024/25 £000
Total Long Term Borrowing	237,092	247,646
Temporary Borrowing	134,232	187,257
<b>Total Borrowing</b>	<b>371,324</b>	<b>434,903</b>

During the year, total borrowing increased by £63.579m, from £371.324m to £434.903m. This increase was due to capital expenditure funded from Prudential Borrowing, £44.255m, and a reduction in internal borrowing i.e. reserves.

### 23. Debtors

2023/24 £000		2024/25 £000
	Amounts falling due in one year:	
7,616	Central Government	7,473
2,838	Other Local Authorities	1,333
1,674	NHS Bodies	2,097
1,099	Amounts due from Subsidiaries	646
52,695	Other Entities and Individuals	54,469
<b>65,922</b>	<b>Gross Debtors</b>	<b>66,018</b>
(6,928)	Provision for Expected Credit Loss & Incurred Loss	(7,250)
<b>58,994</b>	<b>Total</b>	<b>58,768</b>

### Provision for Expected Credit Loss & Incurred Loss

2023/24 £000		2024/25 £000
(128)	Rent associated with Property Investment	(229)
(211)	Sales Ledger	(246)
(1,571)	Benefits overpayments	(1,419)
(5,018)	Other provisions	(5,356)
<b>(6,928)</b>	<b>Total</b>	<b>(7,250)</b>

### 24. Investments

In total the Council's investments held at 31<sup>st</sup> March 2025 increased by £9.294m as a result of an increase in cash holdings, £4.194 and further acquisition of share capital in our wholly owned subsidiary, £5.1m.

The Council has long term investments, totalling £27.3m, 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

2023/24 £000	Category	2024/25 £000
	<b>Long Term Investments</b>	
22,200	Other (Equity Investments)	27,300
<b>22,200</b>	<b>Total Long Term Investments</b>	<b>27,300</b>
0	<b>Short Term Investments</b>	0
<b>17,868</b>	<b>Cash &amp; Cash Equivalent Investments</b>	<b>22,062</b>

2023/24 £000	Category	2024/25 £000
<b>40,068</b>	<b>Total Investments</b>	<b>49,362</b>

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:

2023/24 £000		2024/25 £000
3,188	Bank current accounts	3,482
14,680	Call Accounts	18,580
<b>17,868</b>	<b>Cash and Cash Equivalent Investments</b>	<b>22,062</b>
121	Cash held by the Authority	111
<b>17,989</b>	<b>Total Cash and Cash Equivalents</b>	<b>22,173</b>
0	Bank Account Overdrawn	0
<b>17,989</b>	<b>Net Cash Position for Cash Flow Purposes</b>	<b>22,173</b>

## 26. Provisions

	1 <sup>st</sup> April 2024 £000	Transfers/ Receipts in year £000	Transfers/ Payments in year £000	31 <sup>st</sup> March 2025 £000
Restructure Provision	<b>1,018</b>	911	(1,865)	<b>64</b>
NDR Appeals Provision	<b>2,107</b>	2,123	(2,107)	<b>2,123</b>
<b>Total</b>	<b>3,125</b>	<b>3,034</b>	<b>(3,972)</b>	<b>2,187</b>
<b>Previous Year</b>	<b>3,219</b>	<b>3,125</b>	<b>(3,219)</b>	<b>3,125</b>

**Restructure Provision** – the accounts include a provision to meet committed severance costs which relate to ongoing restructuring programme which is part of the Council's strategy for delivering savings. The amount in the provision on 31<sup>st</sup> March 2025 was £0.064m. It is anticipated that an element of restructure costs will be funded from Capital Receipts in 2025/26.

**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, £4.332m is estimated as the amount required to set aside for this purpose in the 2024/25 accounts (£6.378m in 2023/24). Telford & Wrekin Council's proportion of this is £2.123m (49%) (£3.125m in 2023/24).

## 27. Creditors

2023/24 £000		2024/25 £000
5,602	Central Government	6,258
2,516	Other Local Authorities	2,794
1,052	Public Corporations and Trading Funds	997
89,777	Other Entities and Individuals	89,998
3,887	PFI and Leases	3,771

2023/24 £000		2024/25 £000
102,834	<b>Total</b>	<b>103,818</b>

## 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 2024/25 the Authority made payments of £12.431m 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 £18.545m. The equivalent figure at 31<sup>st</sup> March 2024 was £18.343m.

A finance lease creditor has also been recognised to the value of £41.142m as at 31<sup>st</sup> March 2025. 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:

	2023/24				2024/25			
	Service £000	Lifecycle £000	Interest £000	Finance Lease £000	Service £000	Lifecycle £000	Interest £000	Finance Lease £000
	Within 1 year	3,150	486	3,716	3,371	3,229	1,458	3,477
2 to 5 years	13,407	6,905	12,910	11,237	13,742	5,884	11,926	13,411
6 to 10 years	18,733	4,227	8,757	25,138	18,175	4,522	6,584	25,018
11 to 15 years	3,005	731	320	4,766	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 2024/25.

	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
<b>Balance at 31 March 2023 carried forward (Restated)</b>	<b>4,721</b>	<b>99,619</b>	<b>11,452</b>	<b>135</b>	<b>12,750</b>	<b>128,677</b>
Movement / Use of reserves during 2023/24 (Restated)	(152)	(19,066)	(1,653)	42	14,854	(5,975)
<b>Balance at 31 March 2024 carried forward (Restated)</b>	<b>4,569</b>	<b>80,553</b>	<b>9,799</b>	<b>177</b>	<b>27,604</b>	<b>122,702</b>
Movement / Use of reserves during 2024/25	(125)	(13,078)	(1,874)	(37)	397	(14,717)
<b>Balance at 31 March 2025 carried forward</b>	<b>4,444</b>	<b>67,475</b>	<b>7,925</b>	<b>140</b>	<b>28,001</b>	<b>107,985</b>

#### Analysis of Earmarked General Fund Reserves

	1 <sup>st</sup> April 2024 £000	Payments £000	Receipts £000	31 <sup>st</sup> March 2025 £000
Pay related Costs Reserve	11,718	(756)	34	<b>10,996</b>
Capacity and ITS Fund	3,758	(1,199)	900	<b>3,459</b>
Afghan Relocation Scheme	3,272	(1,227)	658	<b>2,703</b>
Income Equalisation Account	2,028	0	0	<b>2,028</b>
Investment in Council Priorities Fund	4,111	(2,163)	0	<b>1,948</b>
Homes England Land Deal	8,262	(7,309)	815	<b>1,768</b>
Public Health Grant	2,271	(1,122)	390	<b>1,539</b>
Hadley PFI Sinking Fund	1,285	(11,011)	11,978	<b>2,252</b>
Unaccompanied Asylum Seekers	961	(482)	781	<b>1,260</b>
Reserves earmarked as part of Medium-Term Service and Financial Planning Strategy <sup>(1)</sup>	21,702	0	0	<b>21,702</b>
Other reserves below £1,000,000 at 31 <sup>st</sup> March 2025 <sup>(2)</sup>	21,185	(14,950)	11,585	<b>17,820</b>
<b>Total</b>	<b>80,553</b>	<b>(40,219)</b>	<b>27,141</b>	<b>67,475</b>
<b>Previous Year</b>	<b>99,619</b>	<b>(49,728)</b>	<b>30,662</b>	<b>80,553</b>

1 These balances have been set aside to support the Medium-Term Financial Strategy. Due to the number of uncertainties about future funding, including major planned reforms to the local government finance system due to be consulted on in 2025 and implemented for 2024/25, 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 undertaken 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:

<b>2023/24 £000</b>		<b>2024/25 £000</b>
8,656	School Balances – Revenue	6,930
1,143	School Balances – Capital	995
<b>9,799</b>	<b>Total School Balances</b>	<b>7,925</b>

### **31. Unusable Reserves**

<b>2023/24 (Restated) £000</b>		<b>2024/25 £000</b>
171,237	Revaluation Reserve	178,893
155,340	Capital Adjustment Account	114,955
(7,071)	Financial Instruments Adjustment Account	(6,791)
(17,389)	Pensions Reserve	(14,353)
637	Collection Fund Adjustment Account	2,702
(1,397)	Accumulated Absences Account	(1,840)
(1,823)	Dedicated Schools Grant	(4,662)
<b>299,534</b>	<b>Total Unusable Reserves</b>	<b>268,904</b>

#### **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.

<b>2023/24 (Restated) £000</b>		<b>2024/25 £000</b>
<b>191,260</b>	<b>Balance brought forward</b>	<b>171,237</b>
(14,847)	Upwards revaluation of assets	10,767

2023/24 (Restated) £000		2024/25 £000
0	Downward revaluations of assets and impairment losses not charged to the Surplus/Deficit on provision of services	0
(5,072)	Difference between fair value depreciation and historical cost depreciation	(3,111)
(104)	Accumulated gains and losses on assets sold or scrapped	0
<b>171,237</b>	<b>Balance carried forward</b>	<b>178,893</b>

### 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.

2023/24 (Restated) £000		2024/25 £000
<b>138,150</b>	<b>Balance Brought Forward</b>	<b>155,340</b>
(18,936)	Charges for depreciation and impairment of non-current assets	(59,176)
(2,146)	Amortisation of intangible assets	(2,819)
(12,128)	Revenue expenditure funded from capital under statute	(27,811)
(1,024)	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
5,176	Adjustments in relation to the Revaluation Reserve	3,111
1,852	Capital financing	2,183
43,266	- Capital receipts	40,740
	- Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	
4,363	Minimum Revenue Provision	5,207
(3,233)	Movement in the market value of Investment Property debited or credited to the CIES Account	(1,820)
<b>155,340</b>	<b>Balance Carried Forward</b>	<b>114,955</b>

## 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.

2023/24 £000		2024/25 £000
<b>(7,302)</b>	<b>Balance Brought Forward</b>	<b>(7,071)</b>
231	Proportion of premiums/discounts incurred in previous financial years to be apportioned against the General Fund Balance in accordance with statutory requirements	280
0	Premium/discount on loan redemption	0
<b>(7,071)</b>	<b>Balance Carried Forward</b>	<b>(6,791)</b>

## 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 2024/25 on the Pensions Reserve reflects the asset ceiling which is required under the Code. The statutory arrangements ensure that funding is set aside by the time the benefits come to be paid.

2023/24 £000		2024/25 £000
<b>(86,494)</b>	<b>Balance Brought Forward</b>	<b>(17,389)</b>
72,655	Actuarial (gains) or losses on pensions assets and liabilities	112,437
(845)	Added Years	(475)
(21,156)	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	(16,901)
18,451	Employer's pensions contributions and direct payments to pensioners payable in the year	19,366
0	Adjustment for Asset Ceiling Calculation 2024/25*	(111,391)
<b>(17,389)</b>	<b>Balance Carried Forward (Liability)</b>	<b>(14,353)</b>

\* 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 tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £000		2024/25 £000
<b>(1,723)</b>	<b>Balance Brought Forward</b>	<b>637</b>
2,360	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	2,065
<b>637</b>	<b>Balance Carried Forward</b>	<b>2,702</b>

## 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.

2023/24 £000		2024/25 £000
<b>(2,346)</b>	<b>Balance Brought Forward</b>	<b>(1,397)</b>
2,346	Settlement or cancellation of accrual made at the end of the preceding year	1,397
(1,397)	Amounts accrued at the end of the current year	(1,840)
<b>(1,397)</b>	<b>Balance Carried Forward</b>	<b>(1,840)</b>
949	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	(443)

## 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 for a further two years.

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 2026, 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. The new accounting practice has the effect of separating schools budget deficits from the local authorities' general fund for a period of three financial years.

2023/24 £000		2024/25 £000
<b>0</b>	<b>Balance Brought Forward</b>	<b>(1,823)</b>
(1,823)	(Over)/underspend on Dedicated Schools Grant in year	(2,839)
<b>(1,823)</b>	<b>Balance Carried Forward</b>	<b>(4,662)</b>

### **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 2024/25 expenditure on this totalled £27.811m. 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**

2023/24 £000		2024/25 £000
<b>0</b>	<b>Balance Brought Forward</b>	<b>0</b>
1,852	Capital receipts received during year	2,183
(1,852)	Less Capital receipts used for financing during year	(2,183)
<b>0</b>	<b>Balance Carried Forward</b>	<b>0</b>

The useable capital receipts reserve represents the capital receipts available to finance capital expenditure. The balance was nil at 31<sup>st</sup> March 2025.

### **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.

2023/24 (Restated) £000		2024/25 £000
<b>521,398</b>	<b>Opening Capital Financing Requirement</b>	<b>555,727</b>
	Adjustment for historic Right of Use Assets	17,529
	<b>Revised Opening Balance</b>	<b>573,256</b>
	<b>Capital Investment</b>	
58,867	Property, Plant & Equipment	43,199
535	Investment Property	368
325	Assets Held for Sale	257
3,243	Intangible Assets	4,351
0	Right of Use	114
12,128	Revenue Expenditure funded from Capital under Statute (REFCUS)	27,811
3,400	Long Term Investments	5,100
5,344	Capital Loans	12,081
	<b>Sources of Finance</b>	

2023/24 (Restated) £000		2024/25 £000
(1,852)	Capital Receipts	(2,183)
(32)	Finance Leases & De Minimis Capital Expenditure	(114)
(43,266)	Government Grants and Other Contributions	(40,740)
(4,363)	Revenue Provision (NB: includes MRP)	(5,207)
<b>555,727</b>	<b>Closing Capital Finance Requirement</b>	<b>618,293</b>
34,329	Movement for Year	62,566
	<b>Explanation of movements in the year</b>	
34,329	Increase in underlying need to borrow (unsupported by Government financial assistance)	62,566

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:

2023/24 £000		2024/25 £000
4,306	Principal Repayment of external loans	4,558
0	Adjustment for prior year overpayments	0
57	Principal Repayment of leases	649
<b>4,363</b>	<b>Total</b>	<b>5,207</b>

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

2023/24 (Restated) £000		2024/25 £000
(27,009)	Impairment and depreciation of property, plant and equipment and intangible assets	(65,613)
(4,177)	(Increase)/decrease in creditors	1,315
3,681	Increase/(decrease) in debtors	6,250
(15)	Increase/(decrease) in inventories	(22)
(3,550)	Pension Liability	1,990
(1,024)	Carrying amount of non-current assets and non-current asset held for sale, sold or derecognised	0
94	Other non-cash items charged to the net surplus or deficit on the provision of services	939
3,233	Movement in Investment Property values	1,820
<b>(28,767)</b>	<b>Total</b>	<b>(53,321)</b>

**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**

2023/24 (Restated) £000		2024/25 £000
0	Proceeds from sale of short-term investments	0
1,852	Proceeds for the sale of Property, Plant & Equipment and Intangible Assets	2,183
43,266	Any other items for which the cash effects are investing or financing cash flow	40,740
<b>45,118</b>	<b>Total</b>	<b>42,923</b>

**38. Cash Flow Statement – Investing Activities**

2023/24 (Restated) £000		2024/25 £000
61,851	Purchase of property, plant and equipment, investment property and intangible assets	48,358
3,400	Purchase of short-term and long-term investments	5,100
5,529	Other payments for investing activities	12,170
(1,852)	Proceeds from the sale of Property, Plant & Equipment and Intangible Assets	(2,183)
0	Proceeds from short-term and long-term investments	0
(39,277)	Other receipts from investing activities	(47,447)
<b>29,651</b>	<b>Net cash flows from investing activities</b>	<b>15,998</b>

**39. Cash Flow Statement – Financing Activities**

2023/24 (restated) £000		2024/25 £000
(111,101)	Cash receipts of short- and long-term borrowing	(267,001)
0	Other (receipts)/charges from financing activities	0
3,233	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI Contracts	(1,138)
86,999	Repayments of short- and long-term borrowing	203,422
(294)	Other payments for financing activities	(2,225)
<b>(21,163)</b>	<b>Net cash flows from financing activities</b>	<b>(66,942)</b>

**40. Cash Flow Statement – Operating Activities**

The cash flow for operating activities includes the following items:

2023/24 (Restated) £000		2024/25 £000
(2,775)	Interest received	(3,500)
12,247	Interest paid	15,462
(253)	Dividend Received	(302)
<b>9,219</b>	<b>Net cash flows from operating activities</b>	<b>11,660</b>

#### 41. Grant Income and Capital Contributions

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

2023/24 £000		2024/25 £000
	<b>Revenue Grants Credited to Taxation and Non Specific Grant Income</b>	
11,623	Revenue Support Grant	12,393
5,687	Non Domestic Rates Top Up Grant	5,988
11,684	Section 31 Grant	13,290
<b>28,994</b>	<b>Total Revenue Grants</b>	<b>31,671</b>
	<b>Capital Grants &amp; Contributions Credited to Taxation and Non Specific Grant Income</b>	
3,230	Pot Hole Funding	2,464
2,508	Disabled Facilities Grant	2,843
21,049	Schools Standards Fund	4,235
3,836	Local Transport Plan	3,341
17,664	Towns Fund (and other DLUHC Capital Grants)	13,799
4,516	Section 106 Contributions	1,511
1,655	Contributions from Reserves / Balances	258
1,780	Land Deal	7,641
1,883	Other Capital Grants (balances less than £1m as at 31 March 2025)	5,046
<b>58,121</b>	<b>Total Capital Grants &amp; Contributions</b>	<b>41,138</b>
<b>87,115</b>	<b>Total Grants &amp; Contributions – Credited to Taxation and Non-Specific Grant Income</b>	<b>72,809</b>
	<b>Revenue Grants Credited to Services</b>	
122,074	Dedicated Schools Grant	123,238
48,384	Mandatory Rent Allowances Subsidy	49,730
13,479	Adult Social Care	17,529
13,598	Public Health Grant	14,102
7,824	Improved Better Care Fund	9,651
7,387	Pupil Premium Grant	6,956
645	SEND & AP Change Grant	4,066
2,991	Market Sustainability	3,386
3,029	Local Household Support Grant	3,021
2,019	Asylum Seekers	2,790
591	UKSPF 2022-25 Grant	2,322
2,317	New Home Bonus	2,045
-	Core Schools' Budget Grant	1,814
5	Teacher's Pension Grant	1,804
-	Public Transport Services	1,684
1,584	Universal Free School Meals	1,551
941	Teacher's Pay Grant	1,426
1,648	Afghan Resettlement Programme	1,100
1,277	Family Hubs	1,079
20,402	Other grants (balances less than £1m as at 31 March 2025)	14,940
<b>250,195</b>	<b>Total Revenue Grants Credited to Services</b>	<b>264,234</b>
<b>337,310</b>	<b>Total Grant Income &amp; Other Capital Contributions</b>	<b>337,043</b>

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:

2023/24 £000		2024/25 £000
<b>Capital Grants Receipts in Advance</b>		
1,611	Standards Fund	1,611
0	Midlands Energy Hub	276
0	Air Quality Grant	(45)
1,810	Sustainable modes of transport	1,811
<b>3,421</b>	<b>Total</b>	<b>3,653</b>

## 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 2024/25**

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 2025/26.

2023/24 £000	Better Care Fund Revenue Pooled Budget	2024/25 £000
<b>536</b>	<b>Surplus Brought Forward</b>	<b>98</b>
11,556	Funding from Telford & Wrekin Council	11,384
18,578	Funding from Shropshire, Telford and Wrekin Integrated Care Board	18,698
(23,839)	Expenditure met from pooled budget Telford & Wrekin Council	(22,667)
(6,733)	Expenditure met from pooled budget Telford & Wrekin Clinical Commissioning Group	(7,114)
<b>98</b>	<b>Net Surplus/(Deficit) arising on Pooled budget carried forward</b>	<b>399</b>

### **Better Care Fund where Telford & Wrekin Council was the host in 2024/25**

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 2024/25 will be retained in the fund and carried forward by the council into 2025/26.

2023/24 £000	Better Care Fund Capital Pooled Budget	2024/25 £000
<b>30</b>	<b>Surplus Brought Forward</b>	<b>30</b>
2,508	Funding from Telford & Wrekin Council	2,862
(2,508)	Expenditure met from pooled budget Telford & Wrekin Council	(2,862)
<b>30</b>	<b>Net Surplus/(Deficit) arising on Pooled budget carried forward</b>	<b>30</b>

### 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.

2023/24 £000	Better Care Fund Revenue Pooled Budget	2024/25 £000
<b>0</b>	<b>Surplus Brought Forward</b>	<b>0</b>
0	Funding from Telford & Wrekin Council	123
0	Funding from Shropshire Council	422
0	Funding from Shropshire, Telford and Wrekin Integrated Care Board	4,006
0	Expenditure met from pooled budget Telford & Wrekin Council	(126)
0	Expenditure met from pooled budget Shropshire Council	(472)
0	Expenditure met from pooled budget Shropshire, Telford and Wrekin Integrated Care Board	(4,469)
<b>0</b>	<b>Net Surplus/(Deficit) arising on Pooled budget carried forward</b>	<b>(516)</b>

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.

2023/24 £000		2024/25 £000
985	Allowances	1,001
0	Expenses	0
<b>985</b>	<b>Total</b>	<b>1,001</b>

#### **44. Senior Officers' Remuneration & Employee Remuneration in Bands**

This note shows the amounts paid to Senior Officers in 2024/25 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).

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 £
<b>Current Posts</b>							
<b>Chief Executive (David Sidaway)</b>			173,535	0	<b>173,535</b>	29,848	<b>203,383</b>
<b>Executive Director: Children's Services &amp; Public Health</b>			158,423	0	<b>158,423</b>	26,077	<b>184,500</b>
<b>Executive Director: Place</b>	1	130,740	81,406	0	<b>81,406</b>	437	<b>81,843</b>
<b>Executive Director: Adult Social Care, Housing &amp; Customer Services</b>	2	130,740	98,055	0	<b>98,055</b>	16,865	<b>114,920</b>
<b>Director: Communities, Customer &amp; Commercial Services</b>	3	107,775	27,617	0	<b>27,617</b>	4,750	<b>32,367</b>
<b>Director: Finance, People &amp; IDT</b>			99,530	0	<b>99,530</b>	17,119	<b>116,649</b>
<b>Director: Prosperity &amp; Investment</b>			105,818	0	<b>105,818</b>	18,201	<b>124,019</b>
<b>Director: Education &amp; Skills</b>			105,818	0	<b>105,818</b>	17,854	<b>123,672</b>
<b>Director: Children's Safeguarding &amp; Family Support</b>			108,912	0	<b>108,912</b>	18,733	<b>127,645</b>
<b>Director: Adult Social Care</b>			115,992	0	<b>115,992</b>	19,951	<b>135,943</b>
<b>Director: Neighbourhood &amp; Enforcement Services</b>			105,818	0	<b>105,818</b>	16,972	<b>122,790</b>
<b>Director: Housing, Commercial &amp; Customer Services</b>			105,818	0	<b>105,818</b>	18,201	<b>124,019</b>
<b>Director: Policy &amp; Governance</b>			108,818	0	<b>108,818</b>	18,717	<b>127,535</b>
<b>Director: Health &amp; Wellbeing</b>	4		99,530	0	<b>99,530</b>	14,312	<b>113,842</b>
Executive Director: Adult Social Care, Health Integration & Wellbeing	5	2,178	2,178	95,000	<b>97,178</b>	375	<b>97,553</b>
Director: Health & Wellbeing	6	105,818	4,224	75,000	<b>79,224</b>	607	<b>79,831</b>
			<b>1,501,492</b>	<b>170,000</b>	<b>1,671,492</b>	<b>239,019</b>	<b>1,910,511</b>

**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.

## 2023/24

Post Holder Information (Post title)	Note	Annualised salary £	Salary, Fees & Allowances £	Compensation for Loss of Office £	Total Remuneration excluding Pension contributions 2023/24 £	Pension contributions £	Total Remuneration including pension contributions 2023/24 £
<b>Current Posts</b>							
<b>Chief Executive (David Sidaway)</b>			169,302	0	<b>169,302</b>	29,120	<b>198,422</b>
<b>Executive Director: Adult Social Care, Health Integration &amp; Wellbeing</b>			130,673	0	<b>130,673</b>	22,476	<b>153,149</b>
<b>Executive Director: Children's &amp; Family Services</b>			146,892	0	<b>146,892</b>	25,265	<b>172,157</b>
<b>Executive Director: Housing, Communities &amp; Customer Services</b>			130,673	0	<b>130,673</b>	22,476	<b>153,149</b>
<b>Interim Director: Finance &amp; Human Resources</b>	1	95,615	45,478	0	<b>45,478</b>	7,822	<b>53,300</b>
<b>Director: Prosperity &amp; Investment</b>			101,369	0	<b>101,369</b>	17,436	<b>118,805</b>
<b>Director: Education &amp; Skills</b>			101,369	0	<b>101,369</b>	17,436	<b>118,805</b>
<b>Director: Children's Safeguarding &amp; Family Support</b>			101,369	0	<b>101,369</b>	17,436	<b>118,805</b>
<b>Director: Health &amp; Wellbeing</b>	2		101,369	0	<b>101,369</b>	14,577	<b>115,946</b>
<b>Director: Adult Social Care</b>	3	113,164	95,176	0	<b>95,176</b>	16,370	<b>111,546</b>
<b>Director: Communities, Customer &amp; Commercial Services</b>			107,775	0	<b>107,775</b>	18,537	<b>126,312</b>
<b>Director: Neighbourhood &amp; Enforcement Services</b>			101,369	0	<b>101,369</b>	17,436	<b>118,805</b>
<b>Director: Housing, Employment &amp; Infrastructure</b>			101,369	0	<b>101,369</b>	17,436	<b>118,805</b>
<b>Director: Policy &amp; Governance</b>			101,369	0	<b>101,369</b>	17,436	<b>118,805</b>
<b>Director: Finance &amp; Human Resources</b>	4	107,680	84,958	0	<b>84,958</b>	14,705	<b>99,663</b>
			<b>1,620,510</b>	<b>0</b>	<b>1,620,510</b>	<b>275,964</b>	<b>1,896,474</b>

### 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) Current post holder is part of the NHS Pension Scheme.

3) This post holder was only in post for part of the year.

4) This post holder worked part time hours & 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 2023/24	Salary Band	Number of Employees 2024/25
54	£50,000 - £54,999	74
28	£55,000 - £59,999	21
47	£60,000 - £64,999	22
13	£65,000 - £69,999	46
8	£70,000 - £74,999	6
7	£75,000 - £79,999	8
3	£80,000 - £84,999	6
2	£85,000 - £89,999	1
2	£90,000 - £94,999	2
1	£95,000 - £99,999	1
1	£100,000 - £104,999	0
1	£105,000 - £109,999	1
1	£110,000 - £114,999	0
	↓	
1	£160,000 - £164,999	0

The 2024/25 figures include 92 school-based employees (86 in 2023/24). Note 45 – Exit Packages, includes the number of exit packages and costs of compulsory and other redundancies included in the 2024/25 financial statements.

#### **45. Exit Packages**

The number and cost of exit packages for compulsory and other departures included in the 2024/25 accounts are shown below, along with comparative information for 2023/24. Note where actual costs were higher than those included in the provision in the 2023/24 SOA, the difference is included in the 24/25 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	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
							£	£
£0 - £20,000	2	6	17	20	19	26	200,388	167,856
£20,001 - £40,000	2	0	25	2	27	2	794,986	58,479
£40,001 - £60,000	0	0	14	0	14	0	663,548	0
£60,001 - £80,000	0	0	14	2	14	2	1,021,303	149,630
£80,001 - £100,000	0	0	4	2	4	2	353,640	173,971
£100,001 - £150,000	0	0	1	1	1	1	148,578	132,466
£150,001 - £200,000	0	0	0	0	0	0	0	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	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
							£	£
£200,001 - £250,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>6</b>	<b>75</b>	<b>27</b>	<b>79</b>	<b>33</b>	<b>3,182,443</b>	<b>682,402</b>

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 2024/25		307,525	311,115	618,640
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 2025 (i.e. Employees who had received formal notice at 31 March 2025 and will leave during 2025/26)		52,056	11,706	63,762
<b>Total</b>		<b>359,580</b>	<b>322,821</b>	<b>682,402</b>

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

Please note that some of the exit packages charged to the Income & Expenditure Account during 2024/25 were subsequently funded from capital receipts under the Government's flexible use of capital receipts announced as part of the 2015 Spending Review (and subsequently extended).

#### 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:

2023/24 £000		2024/25 £000
311	Fees payable with regard to external audit services (2024/25)	338
36	Fees payable in respect of additional work and final fee adjustments (2020/21-2023/24)	86
0	Fees payable to Cabinet Office in respect of statutory inspection	4
0	Government Grant	(86)
<b>347</b>	<b>Total</b>	<b>342</b>

#### 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 2024/25 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 2024/25 is £9,851.

**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 2024/25 was £20,946.

**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 £289,525 which includes the payment of rental incomes, £276,721, collected by the Council on behalf of the Trust. None of the Councillors receives remuneration or personal benefit for this role.

**Councillor Rajash Mehta** is Chair of the Telford & Wrekin Interfaith Council. The value of transactions during 2024/25 between the Council and the Interfaith Council was £32,455, including grant funding of £28,700.

**Councillor Helena Morgan** is a Trustee for the Park Lane Centre as the Council's nominated representative. The value of transactions between the Council and the organisation was £19,968, which includes £2,800 awarded in grants. Cllr Morgan is also a Trustee of the Anstice Centre. The value of transactions between the Council and the Anstice Centre was £17,699, including £2,285 awarded in grant funding.

**Councillor Angela McClements** is a Director of YMCA Wellington. The value of transactions between the Council and YMCA Wellington were £124,064 including payments awarded in support of Child Sexual Exploitation and the 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 £76,386, including £18,230 awarded in grant funding to the Foundation, £46,726 for the provision of coaching for children across the borough and £11,430 for supporting community events including Urban Games.

**Councillor Stephen Handley** is Chairperson of the Belmont Community Hall. The value of transactions between the Council and Belmont Community Hall was £2,904 including the awarding of grant funding of £2,500.

**Councillor Stephen Burrell** is a Director of Peace of Mind Homecare a company that provided services to the Council through service contracts and received £403,133 in 2024/25.

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

**Councillor Nigel Dugmore** is a Director of DIND Ltd, who lease a property within the borough from the Council. The annual value of the rent paid is £8,503 (including service charges). The business received grants payments of £1,380 relating to a pharmaceutical pilot scheme.

**Councillor Sarah Syrda** is a Trustee of Newport Cottage Care who are a provider of Adult Day Care Services. The value of transactions between the Council and Newport Cottage Care was £39,917.

**Councillor Rachael Tyrrell** is Chair of the Priorslee Residents Association. The value of transactions between the Council and Residents Association was £2,760, which related to the awarding of grant funding.

### **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 £1,519,961 which includes –

- £278,767 on Grants provided by the Council to Parish and Town Councils, and
- £977,870 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 2024/25 the company had a Profit Before Taxation of £0.687m (£0.43m in 2023/24) and Net Assets of £59.21m (£48.34m in 2023/24). 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 152 - 165.

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 2024/25 £62.257m had been drawn down (2023/24: £50.176m). Interest repayments of £3.021m were made by Nuplace Ltd in 2024/25. The loans are interest only and the principal is repayable at the end of their term.

The Council had acquired £27.3m of equity in Nuplace Ltd by the end of 2024/25 (2023/24: £22.2m) and received a dividend in year of £0.302m.

During 2024/25 Nuplace Ltd purchased net services of £1.613m from the Council (2023/24: £1.079m).

## 48. Leases

### Council as lessee

The Council adopted IFRS 16 - Leases from 1 April 2024, see Accounting Policy q Leases on page 77.

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 2025.

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Total £000
<b>Net Book Value Brought Forward</b>	<b>0</b>	<b>0</b>	<b>0</b>
Creation of historic assets	11,247	1,378	12,625
Additions	114	0	114
Revaluations	0	0	0
Depreciation & Amortisation	(429)	(419)	(848)
Transfers (to)/from Property, Plant & Equipment	0	41	41
Disposals	0	0	0
<b>Net Book Value 31 March 2025</b>	<b>10,932</b>	<b>1,000</b>	<b>11,932</b>

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

2023/24 £000		2024/25 £000
	<b>Comprehensive Income &amp; Expenditure Statement</b>	
0	Interest expense on lease liability	519
	<b>Cash Flow Statement</b>	
0	Minimum lease payment	1,144

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

2023/24 £000		2024/25 £000
0	Less than one year	1,496
0	One to five years	3,460
0	More than five years	11,733
<b>0</b>	<b>Total undiscounted liabilities</b>	<b>16,689</b>

## **Hire Purchase Contracts**

During 2024/25 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 2024/25 amounted to £12.921m (£10.857m for 2023/24). See also Note 15 in respect of the valuation of these assets (Property Investment Portfolio).

## **49. Contingent Liabilities**

### **Reinforced Autoclaved Aerated Concrete (RAAC)**

On 30 August 2023, the Department of Education issued a list of schools affected by RAAC and also published new guidance. All records held for local authority schools in the Borough have been checked and we understand that 1 school has been affected by RAAC. Remedial works have been completed to ensure that the school could open fully for the start of the autumn term 2023 and additional works are due to be completed once more information on funding from the Department of Education is forthcoming.

The Council undertakes routine inspections and surveys on all operational properties and the implications of RAAC are restricted to one operational education setting. Detailed works are ongoing, so we are currently uncertain of either the effect on the value of the assets or the potential obligations that could arise from works required. The financial statements to include a contingent liability in respect of that educational setting.

### **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).

## 50. Contingent Assets

At 31<sup>st</sup> March 2025, the Authority had no material contingent assets.

## 51. Special Fund Revenue Account

2023/24		2024/25			
Net Expenditure £000		Gross Expenditure £000	Income £000	Approved use of Balances £000	Net Expenditure £000
	<b>Expenditure on Services</b>				
(56)	Cemeteries	397	(430)	0	(33)
747	Footway Lighting	986	(13)	(216)	757
<b>691</b>	<b>Total expenditure on services</b>	<b>1,383</b>	<b>(443)</b>	<b>(216)</b>	<b>724</b>
	<b>Income</b>				
(603)	Council Tax				(792)
<b>88</b>	<b>(Surplus) or deficit for year</b>				<b>(68)</b>
	<b>Special Fund</b>				
<b>(730)</b>	<b>Balance at beginning of the</b>				<b>(475)</b>
167	Approved use of Reserve for the year				216
88	(Surplus) or deficit				(68)
<b>(475)</b>	<b>Balance at end of</b>				<b>(327)</b>

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

During 2013/14 the Council extended for 10 years a loan to the Ironbridge Gorge Museum Trust of £500,000 at an interest rate of 2.85% which was below the market rate and therefore constitutes a Soft Loan in the accounting statements. Subsequently during 2023/24, the end date of the loan was rescheduled to 31 March 2031. During 2024/25 the loan ended and the outstanding balance, was charged to the I&E account, in accordance with accounting requirements.

During 2015/16 the Council advanced a loan for 40 years to AFC Telford United of £45,000 at an interest rate of 4.66%, which was below the market rate and therefore constitutes a Soft Loan in the accounting statements. Part of this has been repaid during 2024/25 and

the balance at 31<sup>st</sup> March 2025 is £40,531. This is also shown as a debtor in the Balance Sheet at a fair value of £17,487 and a notional £23,044 has been charged to the I&E account, in accordance with accounting requirements (rather than to indicate any expectation of a shortfall in repayment), to reflect the preferential rate given. The Council owns the freehold of the ground and the loan was provided to fund a new fire alarm system at the ground.

In 2021/22 the Council advanced a loan for 25 years to Telford Hockey Club for £50,000 at an interest rate of 1.86%, which was below the market rate and therefore constitutes a Soft Loan in the accounting statements. Part of the loan has been repaid during 2024/25 and balance as 31<sup>st</sup> March 2025 is £44,000. This is also shown as a debtor in the Balance Sheet at a Fair Value of £14,254 and a notional £29,746 has been charged to the I&E account, in accordance with accounting requirements (rather than to indicate any expectation of a shortfall in repayment), to reflect the preferential rate given. The loan was provided to fund the replacement of the playing surface at the club.

### **53. Building Control Account 2024/25**

	Chargeable £000	Non- Chargeable £000	Total Building Control £000
<b>Expenditure</b>			
Employee Expenses	201	256	457
Support Services	250	319	569
	<b>451</b>	<b>575</b>	<b>1,026</b>
<b>Income</b>			
Building Regulation Charges	(444)	(41)	(485)
<b>(Surplus)/Deficit</b>	<b>7</b>	<b>534</b>	<b>541</b>
<b>(Surplus)/Deficit B/Fwd</b>	<b>(107)</b>		
<b>(Surplus)/Deficit C/Fwd</b>	<b>(100)</b>		

### **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 2024/25 indicates the following:

	General Fund		Education	
	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000
<b>Balance b/f</b>	<b>1,146</b>	<b>850</b>	<b>500</b>	<b>250</b>
Charges in the Year	(296)	(274)	(250)	0
Transfers to other reserves	0	0	0	0
Contributions	0	0	0	0
<b>Balance c/f</b>	<b>850</b>	<b>576</b>	<b>250</b>	<b>250</b>

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

For 2024/25 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 19<sup>th</sup> 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 2024/25 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 25.68%. 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 2024/25 was £178.323m, of which £5.717m related to charges to the Council which are included in the CIES.

Extract from WME Balance Sheet	2024/25 £000	Telford & Wrekin Share £000
<b>Long Term Assets</b>		
Property, Plant & Equipment	5	1
Other Long-Term Assets	0	0

Extract from WME Balance Sheet	5 £000	& kin Share £000
<b>Current Assets</b>		
Short Term Debtors	36,245	9,308
Cash and Cash Equivalents	16,520	4,242
<b>Current Liabilities</b>		
Short Term Creditors	(48,880)	(12,552)
<b>Defined Benefit Pension Scheme</b>		
Asset / (Liability)	98	25
<b>Long Term Liabilities</b>		
Other Long-Term Liabilities	0	0
<b>Total Assets Less Liabilities</b>	<b>3,988</b>	<b>1,024</b>
<b>Financed By</b>		
General Fund	1,916	492
Net Operating surplus	1,969	506
Capital Adjustment Account	5	1
Pension Reserve	98	25
<b>Total Reserves</b>	<b>3,988</b>	<b>1,024</b>

## 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 2024/25 was £0.651m (2023/24 £0.654m).

**2024/25**

**COLLECTION FUND ACCOUNT**

## Collection Fund Account 2024/25

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.

	<b>Business Rates £000</b>	<b>Council Tax £000</b>	<b>Total £000</b>
<b>INCOME</b>			
Council Tax Receivable		119,529	119,529
Business Rates Receivable	79,085		79,085
Transition Protection Payments Receivable	1,142	0	1,142
	<b>80,227</b>	<b>119,529</b>	<b>199,756</b>
<b>EXPENDITURE</b>			
<b>Apportionment of prior year surplus / (deficit)</b>			
Central Government	(1,896)		(1,896)
Telford & Wrekin Council	(1,858)	1,416	(442)
West Mercia Police Authority		240	240
Shropshire & Wrekin Fire Authority	(38)	101	63
	<b>(3,792)</b>	<b>1,757</b>	<b>(2,035)</b>
<b>Precepts &amp; Demands</b>			
Central Government	40,166		40,166
Telford & Wrekin Council	39,363	86,953	126,316
West Mercia Police Authority		15,699	15,699
Shropshire & Wrekin Fire Authority	803	6,477	7,280
Parish / Town Councils		6,139	6,139
	<b>80,332</b>	<b>115,268</b>	<b>195,600</b>
<b>Charges to Collection Fund</b>			
Write offs of uncollectable amounts	370	835	1,205
Increase / (decrease) in provision	195	313	508
Cost of collection	217	547	764
	<b>782</b>	<b>1,695</b>	<b>2,477</b>
<b>Surplus / (Deficit) arising during the year</b>	<b>2,905</b>	<b>809</b>	<b>3,714</b>
Surplus / (Deficit) b/fwd 1 <sup>st</sup> April 2024	(3,320)	2,899	(421)
<b>Surplus / (Deficit) c/fwd 31<sup>st</sup> March 2025</b>	<b>(415)</b>	<b>3,708</b>	<b>3,293</b>

## 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 2025, the total non-domestic rateable value for all business premises in Telford & Wrekin was £196,198,634 (£193,585,824 at 31 March 2024).

The multipliers set by Government to calculate rate bills in 2024/25 were 54.6p standard and 49.9p small business.

2023/24 £000		2024/25 £000
76,304	Gross yield for the year	79,612
(1,315)	Adjustments for Reductions & Transitional Relief	615
<b>74,989</b>	<b>Total</b>	<b>80,227</b>

### **CF2. Allocation of Fund Balance (NDR)**

2023/24 £000		2024/25 £000
(1,627)	Telford & Wrekin Council	(203)
(33)	Shropshire Fire Service	(4)
(1,660)	Central Government	(208)
<b>(3,320)</b>	<b>Total Surplus / (Deficit)</b>	<b>(415)</b>

### **CF3. Council Tax Base for 2024/25**

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.

2023/24 Equivalent Band D Dwellings		Number of Dwellings	Discounted Dwellings	Net Dwellings	2024/25 Equivalent Band D Dwellings
11,746.9	Band A	26,881.0	(9,061.4)	17,819.6	11,868.6
13,345.7	Band B	22,382.0	(4,901.2)	17,480.8	13,596.2
10,421.0	Band C	14,253.0	(2,073.6)	12,179.4	10,826.2
8,675.3	Band D	9,768.0	(897.3)	8,870.7	8,870.7
6,207.5	Band E	5,642.0	(395.7)	5,246.3	6,412.1
3,320.8	Band F	2,479.0	(144.7)	2,334.3	3,371.8
1,778.8	Band G	1,167.0	(75.8)	1,091.2	1,818.6
77.0	Band H	52.0	(11.5)	40.5	81.0
<b>55,573.0</b>	<b>TOTAL</b>	<b>82,624.0</b>	<b>(17,561.2)</b>	<b>65,062.8</b>	<b>56,845.2</b>
(257.1)	Adjustments for growth and losses				(271.4)
<b>55,315.9</b>	<b>Tax base for year</b>				<b>56,573.8</b>
£1,935.60	Average Council Tax for year				£2,037.48

<b>2023/24 £000</b>		<b>2024/25 £000</b>
107,069	Gross Yield	115,268
3,695	Add increase in debit net of exemptions and reliefs	4,260
<b>110,764</b>		<b>119,528</b>

#### **CF4. Allocation of Fund Balance (Council Tax)**

<b>2023/24 £000</b>		<b>2024/25 £000</b>
2,289	Telford & Wrekin Council	2,946
387	West Mercia Police Authority	496
223	Shropshire Fire Authority	266
<b>2,899</b>	<b>Total Surplus / (Deficit)</b>	<b>3,708</b>

# **2024/25**

# **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 2024/25.

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

NuPlace Ltd's property assets were valued on 31<sup>st</sup> March 2025 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 – 2024/25 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.

2024/25 was the ninth 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 2025, Nuplace's housing portfolio comprised of 608 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 Wild Walk, Donnington and the former New College site in Wellington, with all 86 houses tenanted by the year end. The Telford and Wrekin Homes portfolio has increased by 32 over the year, with houses acquired across the borough.

Work has commenced on site to build 28 homes on the former Abacus Nursery site in Ketley Bank, including 7 converted dwellings alongside 21 new builds, to help safeguard a building of historical significance on a prominent site within the locality.

Work has continued on the schemes being jointly delivered with Telford & Wrekin Council, including -

- The Gower, St Georges, with the construction of 10 new build properties alongside the creation of 3 converted dwellings within the Grade 2 listed building,
- Limes Walk, Oakengates involving the conversion and creation of 10-, one- and two-bedroom apartments, as part of a wider regeneration scheme. Completed properties are due to transfer from Telford & Wrekin Council to Nuplace in 2025/26,
- Walker Street, Wellington, where work is ongoing to convert a redundant space within a historic building into 9-, one- and two-bedroom dwellings, as part of a wider regeneration project, and

- Work has commenced on the 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, kick-starting the creation of a “city living” offer within Nuplace’s predominantly suburban portfolio. This scheme is being delivered in conjunction with Telford & Wrekin Council as part of the wider Station Quarter regeneration project with the homes being transferred to Nuplace upon practical completion. The first 84 furnished apartments are due to be completed in March 2026, followed by a further 33 townhouses in early 2027.

A further 32 properties have been acquired and refurbished in year as part of the Telford & Wrekin Homes Programme bringing the total properties held within the Telford & Wrekin programme to 56 against a target of 100, with further acquisitions planned in 2025/26.

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 6.3% (£5.6m) over all completed sites. The total value of fixed assets on Nuplace Ltd’s Balance Sheet at 31 March 2025 is £122.8m

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 2024/25 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 5<sup>th</sup> February 2025, totalling £302,400. The company reported an operating profit before taxation of £0.687m, £0.448m after tax. It should be noted that the Council has received income totalling £2.0m from Nuplace Ltd during 2024/25 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.

**2024/25**  
**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.

2023/24 Restated			SERVICE	2024/25		
Net Expenditure Chargeable to the General Fund Balance	Adjustments Between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement		Net Expenditure Chargeable to the General Fund Balance	Adjustments Between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement
73,868	(1,882)	71,986	Adult Social Care	77,787	(2,365)	75,422
49,921	(3,877)	46,044	Children's Safeguarding & Family Support	49,335	(4,033)	45,302
(28)	884	856	Corporate Communications	0	782	782
(11,141)	(432)	(11,573)	Council Wide	(11,127)	2,782	(8,345)
7,337	446	7,783	Education & Skills	6,958	32,330	39,288
118	23,677	23,795	Finance, People & IDT	12,495	3,561	16,056
43	343	386	Health & Wellbeing	403	158	561
7,163	(1,734)	5,429	Housing, Customer & Commercial Services	4,377	(1,348)	3,029
25,698	7,321	33,019	Neighbourhood & Enforcement Services	26,114	7,004	33,118
1,346	4,606	5,952	Policy & Governance	1,429	3,969	5,398
(7,798)	16,091	8,293	Prosperity & Investment	(10,098)	46,723	36,625
<b>146,527</b>	<b>45,443</b>	<b>191,970</b>	<b>Net Cost Of Services</b>	<b>157,673</b>	<b>89,563</b>	<b>247,236</b>
(146,415)	(49,635)	(196,050)	Other Income & Expenditure	(157,678)	(32,314)	(189,992)
<b>112</b>	<b>(4,192)</b>	<b>(4,080)</b>	<b>(Surplus) or Deficit</b>	<b>(5)</b>	<b>57,249</b>	<b>57,244</b>
<b>3,708</b>			<b>Opening General Fund Balance</b>	<b>3,429</b>		
(112)			Surplus of (Deficit) for year	5		
(167)			Other approved uses	(216)		
<b>3,429</b>			<b>Closing General Fund Balance</b>	<b>3,218</b>		

**2024/25  
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	2023/24 Restated			2024/25		
	Gross Expenditure £000	Income £000	Net Expenditure £000	Gross Expenditure £000	Income £000	Net Expenditure £000
Adult Social Care	116,876	44,890	71,986	124,312	48,890	75,422
Children's Safeguarding & Family Support	60,413	14,369	46,044	59,696	14,394	45,302
Corporate Communications	895	39	856	823	41	782
Council Wide	9,098	20,671	(11,573)	15,010	23,355	(8,345)
Education & Skills	154,179	146,396	7,783	193,277	153,989	39,288
Finance, People & IDT	31,574	7,779	23,795	23,257	7,201	16,056
Health & Wellbeing	10,873	10,487	386	11,423	10,862	561
Housing, Customer & Commercial Service	83,154	77,725	5,429	83,555	80,526	3,029
Neighbourhood & Enforcement Services	45,933	12,914	33,019	47,081	13,963	33,118
Policy & Governance	8,318	2,366	5,952	8,480	3,082	5,398
Prosperity & Investment	30,418	22,125	8,293	66,026	29,401	36,625
<b>Net Cost of Services</b>	<b>551,731</b>	<b>359,761</b>	<b>191,970</b>	<b>632,940</b>	<b>385,704</b>	<b>247,236</b>
Other Operating Expenditure			4,548			3,989
Financing and Investment Income and Expenditure			11,678			13,072
Taxation & Non-Specific Grant Income and Expenditure			(212,276)			(207,053)
<b>(Surplus) or deficit on provision of services</b>			<b>(4,080)</b>			<b>57,244</b>
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			10,103			(16,389)
(Surplus) or deficit on revaluation of Available for Sale Financial Assets			0			0
Re-measurements of the net defined benefit pension liability			(72,655)			(1,046)
<b>Other Comprehensive Income &amp; Expenditure</b>			<b>(62,552)</b>			<b>(17,435)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(66,632)</b>			<b>39,809</b>

## 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
<b>Balance at 31<sup>st</sup> March 2023 Brought Fwd (Restated)</b>	<b>115,927</b>	<b>12,750</b>	<b>128,677</b>	<b>231,545</b>	<b>360,222</b>	<b>19,555</b>	<b>379,777</b>
Total Comprehensive Income and Expenditure Surplus / (Deficit) (Restated)	4,208	0	4,208	57,806	62,014	4,618	66,632
Adjustments between accounting basis & funding basis under regulations (Restated)	(25,037)	14,854	(10,183)	10,183	0	0	0
<b>Increase/ (Decrease) in 2023/24 (restated)</b>	<b>(20,829)</b>	<b>14,854</b>	<b>(5,975)</b>	<b>67,989</b>	<b>62,014</b>	<b>4,618</b>	<b>66,632</b>
<b>Balance at 31<sup>st</sup> March 2024 Carried Fwd (restated)</b>	<b>95,098</b>	<b>27,604</b>	<b>122,702</b>	<b>299,534</b>	<b>422,236</b>	<b>24,173</b>	<b>446,409</b>
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
<b>Increase/ (Decrease) in 2024/25</b>	<b>(15,115)</b>	<b>398</b>	<b>(14,717)</b>	<b>(30,630)</b>	<b>(45,347)</b>	<b>5,538</b>	<b>(39,809)</b>
<b>Balance at 31<sup>st</sup> March 2025 Carried Fwd</b>	<b>79,983</b>	<b>28,002</b>	<b>107,985</b>	<b>268,904</b>	<b>376,889</b>	<b>29,711</b>	<b>406,600</b>

## 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 2024 (Restated) £000		Note	31 March 2025 £000
855,054	Property, Plant & Equipment	GN4	869,014
0	Right of Use Assets		11,932
46,575	Investment Property		48,763
6,527	Intangible Assets		7,887
0	Long Term Investments		0
773	Long Term Debtors		862
<b>908,929</b>	<b>Total Long-Term Assets</b>		<b>938,458</b>
253	Inventories		230
57,985	Debtors		58,223
1,544	Assets Held for Sale		1,536
18,739	Cash and Cash Equivalents		24,420
<b>78,521</b>	<b>Current Assets</b>		<b>84,409</b>
(3,595)	Provisions		(2,783)
(134,232)	Short term Borrowing		(187,257)
(103,345)	Creditors		(104,446)
<b>(241,172)</b>	<b>Current Liabilities</b>		<b>(294,486)</b>
<b>(162,651)</b>	<b>Net Current Assets/(Liabilities)</b>		<b>(210,077)</b>
(237,092)	Less Long-Term Borrowing		(247,646)
(41,967)	Less Long-Term Creditors		(56,129)
(17,389)	Less Pensions Liability		(14,353)
(3,421)	Capital Grants Receipts in Advance		(3,653)
<b>(299,869)</b>	<b>Long Term Liabilities</b>		<b>(321,781)</b>
<b>446,409</b>	<b>Net Assets</b>		<b>406,600</b>
122,739	Useable Reserves		107,939
323,670	Unusable Reserves		298,661
<b>446,409</b>	<b>Net Reserves</b>		<b>406,600</b>

## 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.

2023/24 (Restated) £000		2024/25 £000
(4,080)	Net (surplus) or deficit on the provision of services	57,244
(29,448)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(53,103)
45,118	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	42,923
<b>11,590</b>	<b>Net cash flows from Operating Activities</b>	<b>47,064</b>
30,342	Investing Activities	14,762
(20,990)	Financing Activities	(67,507)
<b>20,942</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>(5,681)</b>
<hr/>		
39,681	Cash and cash equivalents at the beginning of the reporting period	18,739
18,739	Cash and cash equivalents at the end of the reporting period	24,420

# Notes to the Group Financial Statements

## **Group Note 1. Accounting Policies**

### **a) General**

The single entity accounting policies are detailed on pages 67 - 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 31<sup>st</sup> March 2025. 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. Prior Period Restatement**

A review of the Council's Fixed Assets alongside the CIPFA Code of Practice, during the reporting period has concluded that several assets previously classified as Property Plant & Equipment align to the definition of Investment Property i.e. the reason for holding the assets as being held solely to earn rentals or for capital appreciation or both. As such these assets have been reclassified as Investment Property.

These reclassifications have impacted on previous years reported information in all the Primary Financial Statements and the Expenditure and Funding Analysis (EFA) which are re-presented below. The Code requires that the Balance Sheet for 2022/23 is also re-presented.

## Prior Period Adjustments relating to 2022/23

### Balance Sheet

	31 March 2023	Reclassification of PPE to Investment Property £000	31 March 2023 Restated
	£000	£000	£000
Property, Plant & Equipment	865,085	(42,807)	822,278
Investment Property	0	42,807	42,807
Long Term Assets	871,102	0	871,102
<b>Net Assets / (Liabilities)</b>	<b>379,777</b>	<b>0</b>	<b>379,777</b>
Usable Reserves	128,845	0	128,845
Unusable Reserves	250,932	0	250,932
<b>Net Reserve</b>	<b>379,777</b>	<b>0</b>	<b>379,777</b>

## Prior Period Adjustments relating to 2023/24

### Expenditure and Funding Analysis

SERVICE	2023/24			Reclassification of PPE to Investment Property	2023/24 Restated		
	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		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
Adult Social Care	73,868	(1,882)	71,986	0	73,868	(1,882)	71,986
Children's Safeguarding & Family Support	49,921	(3,877)	46,044	0	49,921	(3,877)	46,044
Corporate Communications	(28)	884	856	0	(28)	884	856
Council Wide	(11,141)	(432)	(11,573)	0	(11,141)	(432)	(11,573)
Education & Skills	7,337	446	7,783	0	7,337	446	7,783
Finance, People & IDT	118	23,677	23,795	0	118	23,677	23,795
Health & WellBeing	43	343	386	0	43	343	386
Housing, Commercial & Customer Services	7,163	(1,734)	5,429	0	7,163	(1,734)	5,429
Neighbourhood & Enforcement Services	25,698	7,321	33,019	0	25,698	7,321	33,019
Policy & Governance	1,346	4,606	5,952	0	1,346	4,606	5,952
Prosperity & Investment	(7,798)	13,790	5,992	2,301	(7,798)	16,091	8,293
<b>Net Cost of Services</b>	<b>146,527</b>	<b>43,142</b>	<b>189,669</b>	<b>2,301</b>	<b>146,527</b>	<b>45,443</b>	<b>191,970</b>
Other Income & Expenditure	(146,415)	(44,636)	(191,051)	(4,999)	(146,415)	(49,635)	(196,050)
<b>(Surplus) or Deficit</b>	<b>112</b>	<b>(1,494)</b>	<b>(1,382)</b>	<b>(2,698)</b>	<b>112</b>	<b>(4,192)</b>	<b>(4,080)</b>
Opening General Fund Balance	3,708				3,708		
Surplus or (Deficit) for year	(112)				(112)		
Other approved uses	(167)				(167)		
<b>Closing General Fund Balance</b>	<b>3,429</b>				<b>3,429</b>		

## Comprehensive Income & Expenditure Statement

SERVICE	2023/24 Gross Expenditure £000	2023/24 Income £000	2023/24 Net Expenditure £000	Reclassification of PPE to Investment Property £000	2023/24 Restated Gross Expenditure £000	2023/24 Restated Income £000	2023/24 Restated Net Expenditure £000
Adult Social Care	116,876	44,890	71,986		116,876	44,890	71,986
Children's Safeguarding & Family Support	60,413	14,369	46,044		60,413	14,369	46,044
Corporate Communications	895	39	856		895	39	856
Council Wide	9,098	20,671	(11,573)		9,098	20,671	(11,573)
Education & Skills	154,179	146,396	7,783		154,179	146,396	7,783
Finance, People & IDT	31,574	7,779	23,795		31,574	7,779	23,795
Health, Wellbeing & Commissioning	10,873	10,487	386		10,873	10,487	386
Housing, Commercial & Customer Services	83,154	77,725	5,429		83,154	77,725	5,429
Neighbourhood & Enforcement Services	45,933	12,914	33,019		45,933	12,914	33,019
Policy & Governance	8,318	2,366	5,952		8,318	2,366	5,952
Prosperity & Investment	30,831	24,839	5,992	2,301	30,418	22,125	8,293
<b>Net Cost of Service</b>	<b>552,144</b>	<b>362,475</b>	<b>189,669</b>	<b>2,301</b>	<b>551,731</b>	<b>359,761</b>	<b>191,970</b>
Other Operating Expenditure			4,548	0			4,548
Financing & Investment Income & Expenditure			16,677	(4,999)			11,678
Taxation & Non-Specific Grant Income & Expenditure			(212,276)	0			(212,276)
<b>(Surplus) or Deficit on Provision of Services</b>			<b>(1,382)</b>	<b>(2,698)</b>			<b>(4,080)</b>
(Surplus) or deficit on revaluation of Property, Plant and Equipment Assets			7,405	2,698			10,103
(Surplus) or deficit on revaluation of Available for Sale financial assets			0	0			0
Re-measurements of the net defined benefit pension liability			(72,655)	0			(72,655)
<b>Other Comprehensive Income &amp; Expenditure</b>			<b>(65,250)</b>	<b>2,698</b>			<b>(62,552)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(66,632)</b>	<b>0</b>			<b>(66,632)</b>

## Movement in Reserves Statement

	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Authority' s Share of the Subsidiary' s Reserves £000	Total Group Reserves £000
<b>Balance at 31 March 2023 Brought Forward</b>	<b>128,677</b>	<b>231,545</b>	<b>360,222</b>	<b>19,555</b>	<b>379,777</b>
Total Comprehensive Income and Expenditure	1,510	60,504	62,014	4,618	66,632
Adjustments between accounting basis & funding basis under regulations (Note 14)	(7,485)	7,485	0	0	0
<b>Increase/ (Decrease) in 2023/24</b>	<b>(5,975)</b>	<b>67,989</b>	<b>62,014</b>	<b>4,618</b>	<b>66,632</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>122,702</b>	<b>299,534</b>	<b>422,236</b>	<b>24,173</b>	<b>446,409</b>
Reclassification of PPE to Investment Property	2,698	(2,698)	0	0	0
Restatement of Total Comprehensive Income and Expenditure	4,208	57,806	62,014	4,618	66,632
Restatements of Adjustments between accounting basis & funding basis under regulations (Note 14)	(10,183)	10,183	0	0	0
<b>Increase/ (Decrease) in 2023/24 Restated</b>	<b>(5,975)</b>	<b>67,989</b>	<b>62,014</b>	<b>4,618</b>	<b>66,632</b>
<b>Balance at 31 March 2024 carried forward Restated</b>	<b>122,702</b>	<b>299,534</b>	<b>422,236</b>	<b>24,173</b>	<b>446,409</b>

## Balance Sheet

	31 March 2024 £000	Reclassification of PPE to Investment Property £000	31 March 2024 Restated £000
Property, Plant & Equipment	901,630	(46,575)	855,055
Investment Property	0	46,575	46,575
Long Term Assets	908,930	0	908,930
<b>Net Assets / (Liabilities)</b>	<b>446,409</b>	<b>0</b>	<b>446,409</b>
Usable Reserves	122,739	0	122,739
Unusable Reserves	323,670	0	323,670
<b>Net Reserve</b>	<b>446,409</b>		<b>446,409</b>

## Cash Flow Statement

	2023/24 £000	Reclassification of PPE to Investment Property £000	2023/24 Restated £000
Net (surplus) or deficit on the provision of services	(1,382)	(2,698)	4,080
Adjustments to net surplus or deficit on the provision of services for non-cash movements (Note 36)	(32,681)	3,233	(29,448)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 37)	45,118	0	45,118
<b>Net cash flows from Operating Activities</b>	<b>11,055</b>	<b>535</b>	<b>11,590</b>
Investing Activities (Note 38)	30,877	(535)	30,342
Financing Activities (Note 39)	(20,990)	0	(20,990)
<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>20,942</b>	<b>0</b>	<b>20,942</b>
Cash and cash equivalents at the beginning of the reporting period	<b>39,681</b>	<b>0</b>	<b>39,681</b>
Cash and cash equivalents at the end of the reporting period (Note 25)	<b>18,739</b>	<b>0</b>	<b>18,739</b>

## Group Note 3. Reconciliation of the Single Entity Deficit on Provision of Services to the Group Deficit

2023/24 £000		2024/25 £000
(4,208)	<b>Deficit/(Surplus) from the Single Entity Accounts (page 63)</b>	<b>57,158</b>
(253)	Deficit/(Surplus) contained within Subsidiary Accounts	(448)
381	Removal of Trading Surpluses from Single Entity Accounts	534
<b>(4,080)</b>	<b>Deficit/(Surplus) in Group Accounts (page 166)</b>	<b>57,244</b>

#### **Group Note 4. 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.

	<b>Other Land &amp; Buildings</b>	<b>Vehicles, Plant, Furniture &amp; Equipment</b>	<b>Assets Under Construction</b>	<b>Surplus Assets</b>	<b>Total Property, Plant and Equipment</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Gross Book Value Brought Forward (Restated)</b>	<b>598,816</b>	<b>41,951</b>	<b>31,955</b>	<b>0</b>	<b>672,722</b>
Additions	24,967	653	22,805	0	<b>48,425</b>
Revaluation increases/(decreases) recognised in the Revaluation Reserve	10,286	0	0	0	<b>10,286</b>
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(38,386)	(703)	(9,178)	0	<b>(48,267)</b>
Derecognition – disposals	0	0	0	0	<b>0</b>
Assets reclassified (to)/from PPE	7,217	0	(14,956)	7,739	<b>0</b>
Assets reclassified (to)/from Investment Properties	0	0	0	0	<b>0</b>
Assets reclassified (to)/from Intangible Assets	0	0	0	0	<b>0</b>
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	<b>0</b>
Assets reclassified (to)/from Right of Use	0	(41)	0	0	<b>(41)</b>
<b>Gross Book Value at 31 March 2025</b>	<b>602,900</b>	<b>41,860</b>	<b>30,626</b>	<b>7,739</b>	<b>683,125</b>
<b>Less Accumulated Depreciation</b>					
<b>Balance Brought Forward (Restated)</b>	<b>15,759</b>	<b>38,186</b>	<b>0</b>	<b>0</b>	<b>53,945</b>
Depreciation charge	8,657	987	0	0	<b>9,644</b>
Depreciation written out to the Revaluation Reserve	(6,104)	0	0	0	<b>(6,104)</b>
Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	(3,005)	(595)	0	0	<b>(3,600)</b>
Impairment loss/(reversals) recognised in the surplus/deficit on the Provision of Services	0	0	0	0	<b>0</b>
Derecognition – disposals	0	0	0	0	<b>0</b>
<b>Depreciation at 31 March 2025</b>	<b>15,307</b>	<b>38,578</b>	<b>0</b>	<b>0</b>	<b>53,885</b>
<b>Net Book Value</b>					
<b>at 31 March 2025</b>	<b>587,593</b>	<b>3,282</b>	<b>30,626</b>	<b>7,739</b>	<b>629,240</b>
<b>at 31 March 2024</b>	<b>583,057</b>	<b>3,765</b>	<b>31,955</b>	<b>0</b>	<b>618,777</b>

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000

**Nature of Holding as 31 March 2025**

Owned	348,900	3,282	4,840	7,739	<b>364,761</b>
Property Investment Portfolio	107,264	0	18,034	0	<b>125,298</b>
Subsidiary	112,885	0	7,752	0	<b>120,637</b>
PFI	18,544	0	0	0	<b>18,544</b>
<b>Total</b>	<b>587,593</b>	<b>3,282</b>	<b>30,626</b>	<b>7,739</b>	<b>629,240</b>

**Comparative year: 2023/24 (Restated)**

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
<b>Gross Book Value Brought Forward</b>	<b>590,143</b>	<b>40,922</b>	<b>14,512</b>	<b>0</b>	<b>645,577</b>
Additions	37,804	1,030	15,878	0	<b>54,712</b>
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(18,904)	0	0	0	<b>(18,904)</b>
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(8,643)	0	0	0	<b>(8,643)</b>
Derecognition – disposals	(19)	0	0	0	<b>(19)</b>
Assets reclassified (to)/from PPE	(1,565)	0	1,565	0	<b>0</b>
Assets reclassified (to)/from Investment Properties	0	0	0	0	<b>0</b>
Assets reclassified (to)/from Intangible Assets	0	0	0	0	<b>0</b>
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	<b>0</b>
<b>Gross Book Value at 31 March 2024</b>	<b>598,816</b>	<b>41,952</b>	<b>31,955</b>	<b>0</b>	<b>672,723</b>
<b>Less Accumulated Depreciation</b>					
<b>Balance Brought Forward</b>	<b>15,922</b>	<b>36,952</b>	<b>0</b>	<b>0</b>	<b>52,874</b>
Depreciation charge	9,207	1,234	0	0	<b>10,441</b>
Depreciation written out to the Revaluation Reserve	(8,802)	0	0	0	<b>(8,802)</b>
Depreciation written out recognised in the Surplus/Deficit on the Provision of Services	(568)	0	0	0	<b>(568)</b>

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000
Impairment loss/(reversals) recognised in the surplus/deficit on the Provision of Services	0	0	0	0	<b>0</b>
Derecognition – disposals	0	0	0	0	<b>0</b>
<b>Depreciation at 31 March 2024</b>	<b>15,759</b>	<b>38,186</b>	<b>0</b>	<b>0</b>	<b>53,945</b>
<b>Net Book Value</b>					
<b>at 31 March 2024</b>	<b>583,057</b>	<b>3,766</b>	<b>31,955</b>	<b>0</b>	<b>618,778</b>
<b>at 31 March 2023</b>	<b>574,221</b>	<b>3,970</b>	<b>14,512</b>	<b>0</b>	<b>592,703</b>
<b>Nature of Holding as 31 March 2024</b>					
Owned	372,927	3,725	1,565	0	<b>378,217</b>
Leased	0	41	0	0	<b>41</b>
Property Investment Portfolio	92,716	0	30,390	0	<b>123,106</b>
Subsidiary	99,071	0	0	0	<b>99,071</b>
PFI	18,343	0	0	0	<b>18,343</b>
<b>Total</b>	<b>583,057</b>	<b>3,766</b>	<b>31,955</b>	<b>0</b>	<b>618,778</b>

### Property Plant & Equipment Reconciliation to Balance Sheet

2023/24 (Restated) £000		2024/25 £000
236,277	Infrastructure Assets (Single Entity Accounts only)	239,774
618,777	Other PPE assets (Group Accounts)	629,240
<b>855,054</b>	<b>Total PPE Assets as per Balance Sheet</b>	<b>869,014</b>

## 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. 31 <sup>st</sup> 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.
CIPFA 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 Special Fund Revenue Account	A loan granted at lower than the prevailing interest rate Included in the Income And 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.