Shropshire Council
Legal and Democratic Services
Guildhall,
Frankwell Quay,
Shrewsbury
SY3 8HQ

Date: Tuesday, 3 February 2026

Committee:
Cabinet

Date: **Wednesday, 11 February 2026**
Time: **10.30 am**
Venue: **Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, Shropshire, SY3 8HQ**

You are requested to attend the above meeting. The Agenda is attached

There will be some access to the meeting room for members of the press and public, but this will be limited. If you wish to attend the meeting please email democracy@shropshire.gov.uk to check that a seat will be available for you.

Please click here to view the livestream of the meeting on the date and time stated on the agenda

The recording of the event will also be made available shortly after the meeting on the Shropshire Council Youtube Channel Here

Please note: Whilst we do our best to live stream meetings there will be occasions where there are technical problems. If the livestream is halted for a technical reason, the meeting will be paused briefly to address the issue. If the issue persists and the live stream cannot be resumed, the meeting will continue even if it is no longer being transmitted live and a backup recording will be published after the meeting.

Tim Collard Service Director – Legal, Governance and Planning

Members of Cabinet
Heather Kidd
Alex Wagner
Bernie Bentick
Roger Evans
Andy Hall
Ruth Houghton
James Owen
Rob Wilson
David Vasmer
David Walker

Your Committee Officer is:

Ashley Kendrick Democratic Services Officer
Tel: 01743 250893
Email: ashley.kendrick@shropshire.gov.uk

AGENDA

1 **Apologies for Absence**

2 **Disclosable Interests**

Members are reminded that they must declare their disclosable pecuniary interests and other registrable or non-registrable interests in any matter being considered at the meeting as set out in Appendix B of the Members' Code of Conduct and consider if they should leave the room prior to the item being considered. Further advice can be sought from the Monitoring Officer in advance of the meeting.

3 **Minutes** (Pages 1 - 6)

To confirm the minutes of the meeting held on 19 January 2026.

4 **Public Question Time**

To receive any questions from members of the public, notice of which has been given in accordance with Procedure Rule 14. Deadline for notification is not later than 12 noon on Thursday 5 February 2026.

5 **Member Question Time**

To receive any questions from Members of the Council. Deadline for notification is not later than 12 noon on Thursday 5 February 2026.

6 **Scrutiny Items**

a **Scrutiny Item - Partnership Working Task and Finish Group Update**
To receive an update further to Phase Two of the Partnership Working Task and Finish Group investigations.

Contact – Councillor Dawn Husemann, Chair of the Partnership Working Task & Finish Group

REPORT TO FOLLOW

7 **Estimated Collection Fund Outturn For 2025/2026** (Pages 7 - 16)

Lead Member – Councillor Roger Evans, Portfolio Holder for Finance

Lead Officer – Duncan Whitfield, Interim Director Finance Improvement (Section 151 Officer)

8 **Fees and Charges 2026/27**

Lead Member – Councillor Roger Evans, Portfolio Holder for Finance

Lead Officer – Interim Director Finance Improvement (Section 151 Officer)

REPORT TO FOLLOW

9 **Treasury Strategy 2026/27** (Pages 17 - 60)

Lead Member – Councillor Roger Evans, Portfolio Holder for Finance

Lead Officer – Duncan Whitfield, Interim Director Finance Improvement (Section 151 Officer)

10 **Financial Strategy 2026/27 - 2030/31**

Lead Member – Councillor Roger Evans, Portfolio Holder for Finance

Lead Officer – Duncan Whitfield, Interim Director Finance Improvement (Section 151 Officer)

REPORT TO FOLLOW

11 **Treasury Management Update Quarter 3 2025/26** (Pages 61 - 84)

Lead Member – Councillor Roger Evans, Portfolio Holder for Finance

Lead Officer – Duncan Whitfield, Interim Director for Finance for Improvement

12 **Performance Monitoring Report Quarter 3 2025/26** (Pages 85 - 100)

Lead Member – Councillor Alex Wagner, Deputy Leader and Portfolio Holder for Communities

Lead Officer – Rachel Robinson, Executive Director for Public Health

13 **Financial Monitoring Report Quarter 3 2025/26** (Pages 101 - 146)

Lead Member – Councillor Roger Evans, Portfolio Holder for Finance

Lead Officer – Duncan Whitfield, Interim Director Finance Improvement (Section 151 Officer)

14 **Adult Social Care Deferred Payment Policy** (Pages 147 - 180)

Lead Member – Councillor Ruth Houghton, Portfolio Holder for Social Care

Lead Officer – Laura Tyler, Service Director – Care & Wellbeing

15 **Determination of Admission Arrangements 2027/28** (Pages 181 - 200)

Lead Member – Councillor Andy Hall, Portfolio Holder for Children & Education

Lead Officer – John Rowe, Head of Education Quality and Safeguarding (LANO)

16 **Dedication of a Local Nature Reserve at Eardington** (Pages 201 - 228)

Lead Member – Councillor James Owen, Portfolio Holder for Housing & Leisure

Lead Officer – Andy Wilde, Service Director - Infrastructure

17 Devolution of Local Services to Town & Parish Councils

Lead Member – Councillor Alex Wagner, Deputy Leader and Portfolio Holder for Communities

Lead Officer – Andy Wilde, Service Director – Infrastructure

REPORT TO FOLLOW

18 Town and Parish Councils Asset Transfer Policy and Process (Pages 229 - 246)

Lead Member – Councillor Roger Evans, Portfolio Holder for Finance

Lead Officer – Steve Law

19 Application by Oswestry Town Council for Oswestry Parish to be considered as a Neighbourhood Area (Pages 247 - 256)

Lead Member – Councillor David Walker, Portfolio Holder for Planning

Lead Officer – Tim Collard, Service Director – Legal, Governance & Planning

20 Shropshire Schools Funding Formula 2026/27 (Pages 257 - 270)

Lead Member – Councillor Andy Hall, Portfolio Holder for Children & Education

Lead Officer – David Shaw, Director for Children's Services

21 Exclusion of Press and Public

To resolve that, in accordance with the provisions of schedule 12A of the Local Government Act 1972 and Paragraph 10.4 [3] of the Council's Access to Information Rules, the public and press be excluded from the meeting during consideration of the following items

22 Exempt Minutes (Pages 271 - 272)

To confirm the exempt minutes of the meeting held on 21 January 2026.

23 Date of Next Meeting

To note that the next meeting is scheduled to take place on Wednesday 11 March 2026.

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Committee and Date
Cabinet
11 February 2026

CABINET

Minutes of the meeting held on 21 January 2026
In The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ
10.30 am

Responsible Officer: Ashley Kendrick
Email: ashley.kendrick@shropshire.gov.uk Tel: 01743 250893

Present
Councillors Heather Kidd, Alex Wagner, Bernie Bentick, Roger Evans, Andy Hall, Ruth Houghton, James Owen, Rob Wilson, David Vasmer and David Walker

In attendance
Councillor Dawn Husemann (Group Leader – Reform UK), Councillor Rosemary Dartnall (Group Leader – Labour), Councillor Dan Thomas (Group Leader – Conservatives), Councillor Duncan Kerr (Group Leader – Green and Progressive Independent Group, via Teams)
Councillor Ed Potter (Chair of Economy & Environment Overview and Scrutiny Committee), Councillor Robert Jones (Local Member)
Tanya Miles – Interim Chief Executive, Rachel Robinson – Executive Director for Public Health, Mannie Ketley – Finance Director (via Teams), Tim Collard – Service Director for Legal & Governance (via Teams), Duncan Whitfield – Interim Director for Finance for Improvement (via Teams), Daniel Powner - Service Manager, Community Partnerships and Day Opportunities (via Teams), Ashley Kendrick – Democratic Services Officer

102 **Apologies for Absence**

Apologies were received from James Walton, Executive Director (S151).

103 **Disclosable Interests**

No declarations were received.

104 **Minutes**

RESOLVED:

That the minutes of the meeting held on 3 December 2025 be approved as a correct record.

105 **Public Question Time**

Four public questions were received:

Geoff Elner, in relation to winter preparedness. In response to a supplementary question, the Portfolio Holder for Highways and Transport committed to reviewing the winter maintenance programme, maintaining open communication with stakeholders and it was hoped that the grit bins in Ellesmere would be filled by the end of the week.

John Palmer, in relation to Covid-19. In response to a supplementary question regarding the number of Cabinet members who had read the inquiry report, the Portfolio Holder for Health advised that he would need to consult with members before providing a response.

Christopher James, in relation to road safety audits. In response to a supplementary question, the Portfolio Holder for Transport and Economic Growth confirmed that the recommendation of the task and finish group for an audit had been commissioned as the interim Stage 3 audit, and he committed to sharing the report once available.

Megan Frost, in relation to Shrewsbury Sports Village. In response to concerns about the potential closure of the Quarry pool, the Portfolio Holder for Housing and Leisure stated there were no current plans to close the Quarry, but acknowledged the risk. It was noted that there was ongoing investment in the Quarry to reduce closure risk and a commitment was given to reviewing all options for future swimming provision.

The questions and answers provided can be found here.

106 **Member Question Time**

Three members' questions were received:

Councillor Julian Dean, in relation to energy planning.

Councillor Harry Hancock-Davies, in relation to the fraud investigation motion.

Councillor Craig Emery, in relation to signage and white lining. In response to a supplementary question, the Portfolio Holder for Highways and Environment confirmed that road marking and signage will be part of the review for any new contract or in-house service delivery, with a paper coming to cabinet in the future.

The full questions and answers provided can be found here.

107 **Scrutiny Items**

There were no scrutiny items.

108 **Draft Financial Strategy 2025/26 - 2029/30**

The Portfolio Holder for Finance presented the draft Medium Term Financial Strategy (to be known as a Plan in future), highlighting the Council's financial challenges, reliance on exceptional financial support, and the need to borrow up to £130 million. He highlighted the disparity in funding between rural and urban authorities.

Members noted that a public consultation on budget proposals was conducted, with findings to inform the final MTFS. The Portfolio Holder assured members that the Council was working to be transparent, increase staff capacity, and improve internal competence, with scrutiny reports being brought forward.

Members were advised that the MTFS represented a realistic assessment of the Council's financial position; transformation and improved processes are expected to chip away at the funding gap. It was clarified that the MTFS presented a worst-case scenario, and any successful transformation would improve the outlook.

Cabinet members called for cross-party and MP support to lobby for fairer funding and interest terms, stressing the impact on residents and the importance of joint action.

RESOLVED:

That Cabinet:

1. Work with Officers during Q4 in the current year and into 2026/27 to develop a Financial Sustainability Strategy and transformation and change programme which will deliver savings and generate income, in order to reduce the duration of time for which EFS (exceptional financial support) is required across the medium-term financial period.

2. Work with Officers during Q4 in the current year and into 2026/27 through the establishment of a joint working group to develop and progress an approach to business and budget planning.

3. Ask Officers to continue to work with MHCLG in support of its application for exceptional financial support and actions required to return to financial stability.

109 **Capital Strategy 2025/26 – 2030/31 - In-Year Review**

The Portfolio Holder for Finance presented the draft capital plan, noting that many previously approved schemes are paused or under review due to financial constraints. The focus is on statutory and operational priorities, with further changes dependent on government decisions regarding borrowing and funding.

The Portfolio Holder explained that paused projects may resume if financial conditions improve, and some are being actively pursued as circumstances allow.

Members noted that an urgent asset review was planned to identify surplus assets for potential sale, but the Council will avoid a "fire sale" to ensure best value.

The use of S106/SIL developer contributions was under review to support essential projects, but funds may be insufficient for large-scale schemes.

Members were advised that the Council aimed to improve grant funding applications and partnership working to deliver capital projects without increasing debt.

RESOLVED:

That Cabinet:

1. Approved progression of next steps as identified in Appendix A for Council funded capital schemes within the Capital Programme.

2. Approved progression of next steps as identified in Appendix B for Priority schemes within the Capital Strategy.

3. To commence work in Quarter 1 of 2026/27 on an accelerated review of all Council owned and leased land and building assets, in order to inform a refreshed Capital Strategy for the next 5 years which is aligned to enabling financial stability for the Council.

110 **Approval of Shropshire Hills National Landscape Management Plan 2025-30 and new Shropshire Hills National Landscape Advisory Committee Terms of Reference**

The Portfolio Holder for Housing and Leisure introduced the management plan, explaining it sets out partnership priorities for the next five years, focusing on improving the area for both residents and visitors, expanding biodiversity, decarbonisation, and flood management. The plan is advisory, not binding, and implementation depends on securing external funding.

The plan was welcomed, and the importance of balancing landscape protection with sustainable development for local communities, affordable housing, and tourism was emphasised.

Concerns were raised that the plan could overly restrict development, potentially harming rural families, farm diversification, and affordable housing. There was support for limiting large-scale renewable energy in the area, but also a call to protect productive farmland and support local agriculture. It was clarified that the management plan cannot block all development and that the Local Plan will address genuine community needs, with cross-council collaboration to ensure balanced growth.

RESOLVED:

1. That Cabinet formally approve on behalf of Shropshire Council the new Shropshire Hills National Landscape Management Plan 2025-2030.

2. That Cabinet formally approve on behalf of Shropshire Council the Terms of Reference for the new Shropshire Hills National Landscape Advisory Committee.

111 **Baschurch Neighbourhood Plan - Area Designation**

The Portfolio Holder for Planning introduced the proposal to designate Baschurch parish as a neighbourhood plan area, explaining it aligned with Shropshire’s objectives for a healthy economy and environment and allowed the community to shape local development policies. He encouraged broad community participation in the steering group to ensure the plan reflects local needs.

The local member spoke in support, highlighting that neighbourhood planning empowers residents to influence growth, protect green spaces, set design expectations, and prioritise local infrastructure needs such as GP capacity, schools, roads, and reopening the railway station. He requested continued officer support for the process.

RESOLVED:

That Cabinet agreed the designation of the proposed Neighbourhood Area identified on the map in Appendix B, covering the Parish of Baschurch as an appropriate basis for the development of a Neighbourhood Development Plan and notifies Baschurch Parish Council accordingly.

112 Recommendation for the Much Wenlock Neighbourhood Plan Review to Proceed to Referendum

The Portfolio Holder for Planning presented the report seeking cabinet approval to proceed to a local referendum on the Much Wenlock Neighbourhood Plan review, noting the plan had undergone consultation, drafting, and independent examination, with positive feedback from the examiner.

Councillor Thomas, as Shropshire Councillor, Mayor of Much Wenlock, and Chair of the Steering Group, urged approval, emphasising the plan's balance between preserving heritage and enabling vibrant, practical development. He highlighted extensive community involvement and the plan's alignment with Shropshire's Local Plan.

The Cabinet expressed support for communities planning their own futures, noting the challenge for smaller parishes to undertake such work.

RESOLVED:

That Cabinet agreed:

1. The Much Wenlock Neighbourhood Plan Review meets the 'Basic Conditions' and all the other legal requirements as summarised in the Independent Examiner's Report, subject to the modifications proposed in the Schedule of Modifications (Appendix 2)

2. The required modifications be agreed, and that the final 'referendum' version of Much Wenlock Neighbourhood Plan Review (Appendix 3) proceed to local referendum.

3. The referendum area be that as defined as the designated area to which the Much Wenlock Neighbourhood Plan Review relates.

113 Provider Services Redesign (in-house)

The Portfolio Holder for Social Care introduced proposals for the redesign of in-house provider services, including consultation on the closure of specific day centres and a wider review of day service provision. Members noted that the consultation would include drop-in options, one-to-one discussions, and accessible communications for users and families. Equality and health impact assessments will be updated after consultation.

Concern was expressed for affected residents but members acknowledged the lack of statutory duty and financial viability.

The Portfolio Holder emphasised efforts to mitigate impacts by signposting users to alternative services and supporting community-based options, especially in Ludlow.

RESOLVED:

That Cabinet:

(i) agreed public consultation for 8 weeks on the future of Helena Lane Day Service, including the potential option to close the service. New admissions should be paused during the consultation period to avoid further impact.

(ii) agreed public consultation for 8 weeks on the potential transfer of the Aquamira day service to the Abbots Wood site.

(iii) endorsed public engagement for 8 weeks on the reprovision of the remaining InHouse Day Services Provision.

Following the period of consultation, final recommendations will be presented to Cabinet for determination.

114 **Exclusion of Press and Public**

RESOLVED:

That, in accordance with the provisions of schedule 12A of the Local Government Act 1972 and Paragraph 10.4 [3] of the Council's Access to Information Rules, the public and press be excluded from the meeting during consideration of the following items.

115 **Leisure Service Contract Retendering**

RESOLVED:

That Cabinet agreed the recommendations contained within the report.

116 **Date of Next Meeting**

Members noted that the next meeting was scheduled for Wednesday 11 February 2026.

Signed .... (Chairman)

Date: ....

	Committee and Date Cabinet 11th February 2026	Item Public

Healthy People — Healthy Economy — Healthy Environment — Healthy Organisation

Estimated Collection Fund Outturn For 2025/2026

Responsible Officer:	Duncan Whitfield, Director Financial Improvement	
email:	duncan.whitfield@shropshire.gov.uk	
Cabinet Member (Portfolio Holder):	Roger Evans, Finance	

1. Synopsis

This report sets out the expected outturn position for the Collection Fund for 2025/26 and Shropshire Council's share of the position for inclusion in the 2026/27 budget.

2. Executive Summary

2.1. The main council budget is the General Fund. The Collection Fund is a separate account which is ringfenced to Council Tax and Business Rates collection. The Collection Fund comprises all the cash receipts for council tax and business rates as well as necessary adjustments for any outstanding debts, any debts brought forward from previous years but collected in cash in the current year, and any property revaluations (which may increase or decrease payable amounts). The collection fund outturn position is carried forward into the new year and applied to the general fund in that year. Any deficit is a charge to the general fund; any surplus is a benefit to the general fund.

2.2. In 2025/26, the council plans to collect around £375m of business rates and council tax on behalf of the Council, Central Government, Police, Fire, and town and parish councils. Of the £375m due to be collected, around £265m is for

Shropshire Council. Charts 1 and 2 below set out the amounts due to be collected for each body.

Chart 1

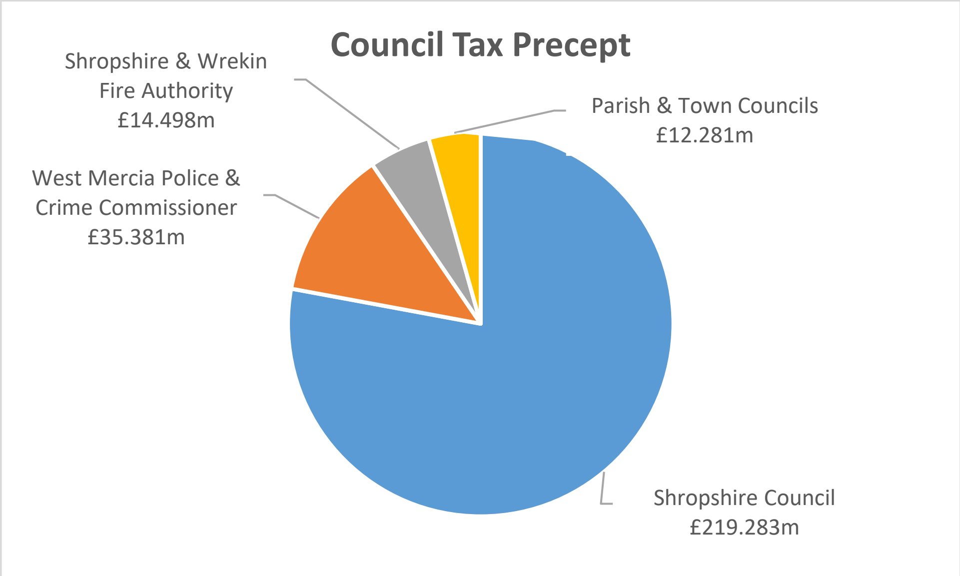
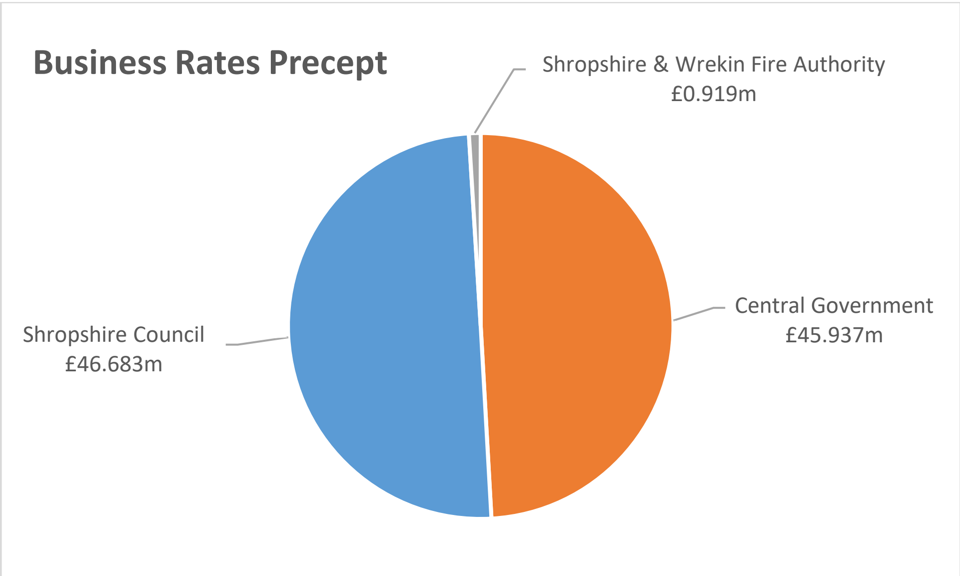


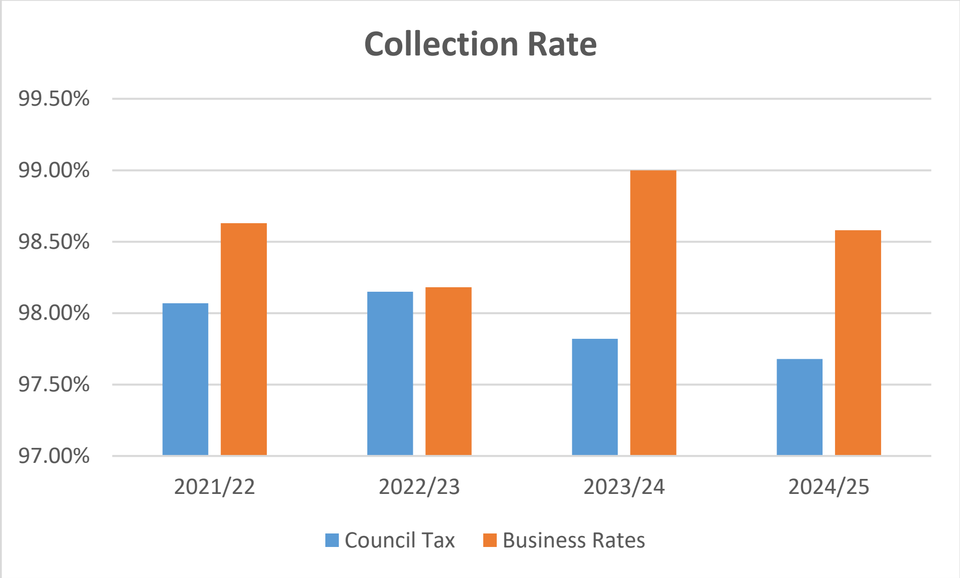
Chart 2



2.3. The Council is required by statute to maintain a Collection Fund separate from the General Fund of the Council to maintain transparency and accountability in this area. This is especially important as the Council collects council tax on behalf of other bodies as well (e.g. the Fire Service, and town and parish councils).

2.4. Collection of Council Tax and Business Rates is undertaken by a dedicated revenues team. The final amount collected for the year is impacted by a number of factors including changes to the taxbase and the collection rate. Chart 3 provides details of the collection rate for Council Tax and Business Rates for the previous 4 financial years.

Chart 3



2.5. The Collection Fund estimated outturn for the year ending 31st March 2026 are:

A. Overall council tax deficit of £1.465m (Council's share is £1.206m)

B. Overall business rates deficit of £2.557m (Council's share is £1.240m)

3. Recommendations

3.1. To note the overall Collection Fund estimated deficit of £4.022m for the year ending 31st March 2026, comprised of an estimated deficit of £1.465m for Council Tax and an estimated deficit of £2.557m for Non-Domestic Rates (NDR).

3.2. To note the distribution of the Collection Fund estimated deficit for Council Tax and NDR to the major/relevant precepting authorities and the Secretary of State.

3.3. To note Shropshire Council's share of the overall estimated deficit of £2.446m, comprised of an estimated deficit of £1.206m for Council Tax and an estimated deficit of £1.240m for NDR.

3.4. To note the inclusion of Shropshire Council's share of the overall estimated deficit for Council Tax and NDR in the 2026/27 budget.

4. Risk Assessment and Opportunities Appraisal

4.1. Estimation of the Council Tax Collection Fund surplus or deficit is a well understood process and any potential for error is mitigated to a large extent by adhering to the relevant legislation. However, small variations in collection rate or changes in the taxbase can have a significant financial impact due to the magnitude of the sums involved.

4.2. Estimation of the Non-Domestic Rates (NDR) Collection Fund surplus or deficit can be affected by changes in rateable values and the level of appeals. A degree of variance on the Collection Fund due to changes in the appeals provision should be anticipated.

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. Council Tax and NDR precepts are fixed prior to the start of the financial year. Any variations to these amounts are realised through the Collection Fund. The estimated Collection Fund Outturn projects the variation for the financial year end and any surplus or deficit is included in the following year’s budget. Variations in collection rate and changes in the taxbase for Council Tax and rateable values for NDR will have an impact on the Collection Fund and therefore affect the amount available to be distributed.

Council Tax

5.3. The forecast of the Council Tax Collection Fund Balance for the year ending 31st March 2026 shows a forecast deficit of £1.465m based on figures as at 15th January 2026. This is comprised of an in year estimated deficit of £0.647m and an additional deficit of £0.818m in the outturn position from the previous financial year. The estimated deficit on the Council Tax Collection Fund is due to an increase in the contribution to the bad debt provision.

5.4. The year end estimated deficit is distributed to the major precepting authorities in proportion to the current year demands and precepts on the Collection Fund. The percentages are likely to change each year due to different inflationary adjustments being applied by the major precepting authorities.

5.5. The amount incorporated into the Council's 2026/27 budget in relation to the Council Tax Collection Fund deficit is £1.206m. This is comprised of an in year estimated deficit of £0.533m and a deficit of £0.673m from the previous year's actual Council Tax Collection Fund.

5.6. The detailed determination of the estimated Council Tax Collection Fund deficit for 2025/26 is shown in Appendix A and the allocation of the estimated deficit to each of the major precepting authorities is summarised in Table 1 in Appendix C.

Non-Domestic Rates (NDR)

5.7. The forecast of the Non-Domestic Rates Collection Fund Balance for the year ending 31st March 2026 shows a forecast deficit of £2.557m based on figures as at 31st January 2026. This is comprised of an in year estimated deficit of £2.526m and a deficit of £0.031m in the outturn position from the previous financial year.

5.8. The forecast deficit on the Non-Domestic Rates Collection Fund is attributable to an increase in the number of reliefs awarded.

5.9. The year end estimated deficit is distributed to the Secretary of State and relevant precepting authorities in proportion to the current year demands and NDR payments on the Collection Fund. The percentages are fixed in accordance with The Non-Domestic Rating (Rates Retention) Regulations 2013.

5.10. An exception to this distribution method exists, however, in relation to Business Rates income from renewable energy projects. This income is retained in full by the Billing Authority and as such the income is disregarded from calculations in the rates retention scheme. In 2024/25 income from Renewable Energy Schemes (RES) was £1.852m and is forecast to be £1.689m in 2025/26. The 2025/26 Business Rates Collection Fund estimate includes a surplus of £0.025m to be retained in full by Shropshire Council as the billing authority.

5.11. The amount incorporated into the Council's 2026/27 budget in relation to the Business Rates Collection Fund is a deficit of £1.240m. This is comprised of an in year estimated deficit of £1.225m and a deficit of £0.015m from the previous year's actual Business Rates Collection Fund.

5.12. The detailed determination of the estimated Business Rates Collection Fund deficit for 2025/26 is shown in Appendix B and the allocation of the estimated deficit to the Secretary of State and the relevant precepting authorities is summarised in Table 1 in Appendix C.

6. Climate Change Appraisal

6.1. The estimated Collection Fund Outturn report and recommendations have no direct effect on climate change.

6.2. NDR receipts received from renewable energy schemes (RES) are retained in full by the Council. As a result of this a dedicated base budget was built in from 2022/23 to support climate change initiatives.

7. Background

7.1. As a Council Tax and Non-Domestic Rates (NDR) Billing Authority the Council is required by legislation to estimate the surplus or deficit for each financial year on the Collection Fund.

7.2. Council Tax and NDR precepts from the Collection Fund are fixed prior to the start of a financial year and any variations from this realised through the Collection Fund in year are distributed in the following two financial years (based on estimates in the following year and actuals in the subsequent year).

7.3. The Collection Fund is a statutory fund separate from the General Fund of the Council. The Collection Fund accounts independently for:

• Income into the Fund: The Fund is credited with the amount of receipts of Council Tax and NDR it collects.

• Payments out of the Fund: In relation to Council Tax payments are made to the Council, the two major precepting authorities (West Mercia Police & Crime Commissioner and Shropshire & Wrekin Fire Authority) and the local preceptors (Parish and Town councils). In relation to NDR payments are made to the Council, the Secretary of State and the single relevant precepting authority (Shropshire & Wrekin Fire Authority).

7.4. The Local Government Finance Act 1992 (as amended) requires the Council as the Billing Authority to calculate a Collection Fund estimate by 15th January each year for Council Tax. The Non-Domestic Rating (Rates Retention) Regulations 2013 require the Council as the Billing Authority to calculate a Collection Fund estimate by 31st January each year for NDR. Both estimates relate to the Collection Fund Income and Expenditure Account for the year ending 31st March and the impact of this on the Collection Fund Balance.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member:	**All**

Appendices

Appendix A: Shropshire Council 2025/26 Estimated Council Tax Collection Fund Account

Appendix B: Shropshire Council 2025/26 Estimated Non-Domestic Rates Collection Fund Account

Appendix C: Distribution of the 2025/26 Estimated Collection Fund (Surplus) / Deficit

APPENDIX A

SHROPSHIRE COUNCIL ESTIMATED COUNCIL TAX COLLECTION FUND ACCOUNT
(Estimate As At 15th January 2026)

	2025-26 Estimate £'000
Income	
Council Tax Income	(283,190)
Transfers from General Fund	
- Discretionary Relief	(160)
Total Income	**(283,350)**
Expenditure	
2025/26 Precepts	
Shropshire Council	219,283
West Mercia Police & Crime Commissioner	35,381
Shropshire & Wrekin Fire Authority	14,498
Parish & Town Councils	12,281
Bad & doubtful debts	
Increase in Bad Debt Provision	2,555
Total Expenditure	**283,998**
(Surplus)/Deficit for the year	648
Impact on Collection Fund Accumulated (Surplus)/Deficit	
Accumulated (surplus)/deficit brought forward	(858)
Distribution of prior year estimated surplus	1,676
(Surplus)/Deficit for the year	648
Estimated Accumulated (Surplus)/Deficit Carried Forward	**1,465**
Estimated Collection Fund (Surplus) / Deficit	
Prior year (surplus)/deficit	818
In year (surplus)/deficit	648
	1,465
Share of Estimated Collection Fund Surplus	
Shropshire Council	1,206
West Mercia Police & Crime Commissioner	184
Shropshire & Wrekin Fire Authority	75
	1,465

APPENDIX B

SHROPSHIRE COUNCIL ESTIMATED NON-DOMESTIC RATES COLLECTION FUND ACCOUNT
(Estimate As At 31st January 2026)

	2025-26 Estimate £'000	2025-26 Excluding Renewable Energy Schemes £'000	2025-26 Renewable Energy Schemes Only £'000
Income			
Business Rates Income	(90,778)	(89,089)	(1,689)
Transitional Protection	(783)	(783)	-
Total Income	**(91,561)**	**(89,872)**	**(1,689)**
Expenditure			
2025/26 Payments to Major Preceptors			
Secretary of State	45,937	45,937	-
Shropshire Council	46,683	45,019	1,664
Shropshire & Wrekin Fire Authority	919	919	-
Cost of Collection	461	461	-
Bad & doubtful debts			
Increase in Bad Debt Provision	64	64	-
Appeal Losses & Provisions			
Losses	(2,436)	(2,436)	0
Increase in Appeal Provision	2,460	2,460	0
Total Expenditure	**94,087**	**92,423**	**1,664**
(Surplus)/Deficit for the year	**2,526**	**2,551**	**(25)**
Impact on Collection Fund Accumulated (Surplus) / Deficit			
Accumulated (surplus)/deficit brought forward	(2,571)	(2,034)	(537)
Distribution of prior year estimated surplus/(deficit)	2,603	2,065	537
(Surplus)/Deficit for the year	2,526	2,551	(25)
Estimated Accumulated (Surplus) / Deficit Carried Forward	**2,557**	**2,582**	**(25)**
Estimated Collection Fund (Surplus) / Deficit			
Prior year (surplus)/deficit	31	31	(0)
In year (surplus)/deficit	2,526	2,551	(25)
	2,557	**2,582**	**(25)**
Distribution of Estimated Collection Fund (Surplus) / Deficit			
Secretary of State	1,291	1,291	-
Shropshire Council	1,240	1,265	(25)
Shropshire & Wrekin Fire Authority	26	26	-
	2,557	**2,582**	**(25)**

APPENDIX C

DISTRIBUTION OF THE 2025/26 ESTIMATED COLLECTION FUND (SURPLUS) / DEFICIT

1.1 The allocation of the estimated deficit to the Secretary of State and the relevant precepting authorities is summarised in Table 1 below.

Table 1: Distribution of the 2025/26 Estimated Collection Fund (Surplus) / Deficit

	Council Tax	NDR	Total
	£m	£m	£m
Secretary of State	-	1.291	1.291
Shropshire Council	1.206	1.240	2.446
West Mercia Police & Crime Commissioner	0.184	-	0.184
Shropshire & Wrekin Fire Authority	0.075	0.026	0.101
Total Estimated (Surplus) / Deficit	**1.465**	**2.557**	**4.022**

1.2 The Secretary of State and major / relevant precepting bodies were notified of these deficits by 31st January 2026.

Committee and Date	Item
Audit & Governance Committee 5th February 2026 Cabinet 11th February 2026 Council 26th February 2026	 Public

Healthy People | Healthy Economy | Healthy Environment | Healthy Organisation

Treasury Strategy 2026/27

Responsible Officer:	Duncan Whitfield, Director Financial Improvement
email: duncan.whitfield@shropshire.gov.uk	
Cabinet Member (Portfolio Holder):	Roger Evans, Finance

1. Synopsis

The report proposes the Treasury Strategy for 2026/27. It sets out the arrangements for how the council will appropriately manage its arrangements for banking, cash flow management, investments, and borrowing, supporting the delivery of the Medium Term Financial Plan.

2. Executive Summary

2.1. Treasury management refers to work undertaken ‘in the background’. It is the way the authority manages cash flow, banking, investments and borrowings. Effective treasury management is an essential foundation for the services the Council provides.

2.2. CIPFA has defined treasury management activities as ‘the management of the organisation’s investments and cash flows - banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’ The amounts in these different areas of activity fluctuate, but at the time of preparing the report, the council had:

- gross cashflows in and out registering in the hundreds of millions of pounds each year
- future planned capital investments (capital financing requirement or 'CFR'), funded from a variety of sources of £621m.
- debt (external borrowings) at £415m (this is all fixed rate; no borrowings held with variable rates). The majority of this (£383m) is government loans (Public Works Loan Board, 'PWLB'). The profile of debt maturity is spread across future years (PWLB loans mature between 2026/27 and 2056/57). Provision to meet the finance cost of this debt and to repay the principal is included in the annual budget process.
- Investments (of cash held for various purposes, which can be safely invested for a period based on projected cash flow requirements) of £24.2m as at 31 December 2025.

2.3. This is a complex and significant area of the Council's financial operations and is therefore delivered within an appropriately robust framework of legislative and best practice safeguards.

2.4. To enable an efficient approach to delivery of treasury management functions across partner organisations, the Council also provides this function for other organisations as below. (NB – this report relates specifically to the Treasury Management Strategy for the Council.)

- West Mercia Energy (WME)
- Shropshire and Wrekin Fire Authority

2.5. Given the scale of these activities, it is essential that best practice is applied, and local activity is amended as best practice evolves. The Council achieves this in two ways – by retaining MUFG Corporate Markets as specialist treasury management advisors, and by adopting recommended best practice from sector leaders such as CIPFA.

2.6. In December 2021, CIPFA published the revised Treasury Management Code and Prudential Code. As noted last year, formal adoption is included for the 2026/27 financial year. This Treasury Management Strategy has also been prepared in compliance with CIPFA's Code of Practice on Treasury Management 2017 and covers the following:-

- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications for future financial sustainability

2.7. Key points to note in the strategy are:-

- Borrowing is driven by the requirements of the approved Capital Programme.
- Currently the approved borrowing requirement identified within the approved Capital Programme 2026/27 to 2028/29 is prudential borrowing of £59m. In addition to this there is an anticipated prudential borrowing requirement for future prioritised schemes in the Capital Strategy 2026/27 to 2030/31 of £17.6m and borrowing as a result of assumed approval of Exceptional Financial Support.

- Investment limits are also set out within the strategy, to ensure that counterparties are credit worthy and that investments are undertaken in line with internal funds requirement.

2.8. Outside the approved Capital Programme there are a number of further capital investment schemes which are being prepared but have not yet been approved to be included in the capital programme. Once these decisions are made (either to accept and progress, or to reject), the funding including the borrowing requirement will also be revised.

2.9. The Council's lending is restricted to highly credit rated Banks, Building Societies, Money Market Funds and Part Nationalised Institutions which meet Link Asset Services creditworthiness policy, as well as other Local Authorities and the UK Government (for example, lending to the Debt Management Office, 'DMO').

2.10. The Finance Team will continue to look for opportunities to make savings by actively managing the cash and debt portfolio in accordance with the Treasury Strategy. Savings may be secured by increasing the interest earnt through investment of cash balances, or by reducing the cost of external borrowing (for example, by paying back higher interest loans and replacing them with lower interest loans – 'rescheduling').

3. Recommendations

3.1. The treasury strategy is required to be received at three committee meetings:

- Audit & Governance Committee receive the report as part of their consideration of the probity and regularity of the council's financial affairs;
- Cabinet receive it and recommend its adoption to Council from the perspective of this setting out the policy Cabinet wish to adopt; and
- Full Council receive the strategy for its formal approval and adoption as a reserved decision.

Specific recommendations for each meeting are set out below.

Audit & Governance Committee

3.2. That the Audit & Governance Committee:-

a) Consider and endorse, with appropriate comment, the Treasury Strategy for 2026/27.

Cabinet

3.3. That Cabinet recommends that Council:-

a) Approve, with any comments, the Treasury Strategy for 2026/27 set out in appendix 1 (parts 1-3).
b) Approve, with any comments, the Prudential Indicators, set out in Appendix 1 (parts 4), in accordance with the Local Government Act 2003.
c) Approve, with any comments, the Investment Strategy, set out in Appendix 1 (part 5) in accordance with the DLUHC Guidance on Local Government Investments.
d) Approve, with any comments, the Minimum Revenue Provision (MRP) Policy Statement, set out in Appendix 1 (part 6).

e) Authorise the Section 151 Officer to exercise the borrowing powers contained in Section 3 of the Local Government Act 2003 and to manage the Council's debt portfolio in accordance with the Treasury Strategy.
f) Authorise the Section 151 Officer to use other Foreign Banks which meet MUFG Corporate Markets' creditworthiness policy as required.

Council

3.4. That Full Council:-

a) Approve, with any comments, the Treasury Strategy for 2026/27, set out in appendix 1 (parts 1-3).
b) Approve, with any comments, the Investment Strategy, set out in Appendix 1 (part 4) in accordance with the DLUHC Guidance on Local Government Investments.
c) Approve, with any comments, the Prudential Indicators, set out in Appendix 1 (part 5), in accordance with the Local Government Act 2003.
d) Approve, with any comments, the Minimum Revenue Provision (MRP) Policy Statement, set out in Appendix 1 (part 6).
e) Authorise the Section 151 Officer to exercise the borrowing powers contained in Section 3 of the Local Government Act 2003 and to manage the Council's debt portfolio in accordance with the Treasury Strategy.
f) Authorise the Section 151 Officer to use other Foreign Banks which meet MUFG Corporate Markets' creditworthiness policy as required.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

4.2. There are no direct environmental, equalities or climate change consequences arising from this report.

4.3. Compliance with the CIPFA Code of Practice on Treasury Management, the Council's Treasury Policy Statement and Treasury Management Practices and the Prudential Code for Capital Finance together with the rigorous internal controls will enable the Council to manage the risk associated with Treasury Management activities and the potential for financial loss.

4.4. The Council's Audit & Governance Committee is the committee responsible for ensuring effective consideration of the Council's Treasury Management Strategy and policies.

4.5. Risk table

Risk	*Mitigation*
Security of funds	The Council maintains an Annual Investment Strategy which ensures that minimum acceptable credit criteria is applied for all investments to ensure that only highly creditworthy counterparties are used which enables

	diversification across all investments. The Council uses a treasury advisor, MUFG Corporate Markets to provide a creditworthiness service of all potential investment counterparties, which is continuously monitored and updated as needed
Managing liquidity	The Council undertakes cash flow monitoring which highlights anticipated cash transactions for the upcoming 18 months. All departments are requested to provide details of large value income and expenditure transactions that may impact on the authority's cash flow position. This is tracked on a daily basis and continuously updated to ensure that cash is held appropriately liquid should there be a need to use the funds
Achievement of investment benchmark, particularly in months of February and March.	Investments undertaken by the Finance team are benchmarked against the overnight Sterling Overnight Index Average (SONIA). The key factors in tracking performance of investments, is the cash balance available to invest and the return that is achieved on investments made. When interest rates are rising in the economy, it may be that previous investments that were fixed have now become less favourable, and so there is a higher risk that the benchmark may not be achieved. The availability of cash for investing has also become a key factor, especially in a period where reserves and hence cash balances have reduced. Also during the months of February and March the Council does not collect as much Council Tax and so cash balances reduce during these months in particular. In order to manage this period, cash is held in call accounts or highly liquid investments rather than being placed into longer term fixed interest investments. The main priority for the Council is always to maintain liquidity and the security of funds over chasing investment returns.

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. The financial implications arising from the Treasury Strategy are detailed in this report. The Council makes assumptions about the levels of borrowing and investment income over the financial year to facilitate financial planning.

5.3. Reduced borrowing either as a result of capital receipt generation or due delays in delivery of the capital programme will have a positive impact of the council's cash position. Similarly, higher than benchmarked returns on available cash will also help the Council's financial position. For monitoring purposes, assumptions are made early in year about borrowing and returns based on the strategies agreed by Council in the preceding February. Performance outside of these assumptions results in increased or reduced income for the Council.

5.4. As at 31 December 2025 the Council held £24.2 million in investments and borrowing of £415 million at fixed interest rates.

6. Climate Change Appraisal

6.1. The Council's Financial Strategy includes proposals to deliver a reduced carbon footprint for the Council therefore the Finance Team is working with the Council in order to achieve this. There are no direct climate change impacts arising from this report. Shropshire Council's investment portfolio has no level 1, 2 or 3 emissions. It comprises of straightforward cash deposits with financial institutions and other Local Authorities.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)	
Treasury Strategy 2025/26 Treasury Strategy 2025/26 – Mid Year Review Finance Strategy 2025/26 – 2029/30	
Local Member:	All
Appendices	
Appendix 1 – Treasury Strategy 2026/27	

TREASURY MANAGEMENT STRATEGY 2026/27

Section 1: Overview

<u>The objectives and contents of the Treasury Management Strategy</u>

The Council is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The Council defines its treasury management activities as "the management of the authority's borrowing, investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with the activities, and the pursuit of optimum performance consistent with those risks".

Cash flow management involves forecasting in- and out-flows of cash and ensuring that funds are available to meet expenditure needs. Any temporarily surplus monies can be invested in low-risk counterparties, sometimes providing a return on investment. In doing so, we prioritise

- Security first (that is, the investment will be repaid), then
- Liquidity (that is, we can afford to lose access to the sum invested for the period of the investment, without negatively impacting on wider council operations), and lastly
- Yield (securing a beneficial return on investments made).

Treasury Management also ensures that funds are available to support the Council's capital investment plans, whether using government grants, developer contributions, or external borrowing. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

Whilst any commercial initiatives or loans to third parties will be informed by the treasury strategy and appropriate advice, these activities are generally classed as non-treasury activities, and are separated from the day-to-day treasury management activities.

This Treasury Management Strategy includes the following sections
1. Overview of the strategy
2. Economic update
3. Annual investment strategy
4. Prudential and treasury indicators
5. Minimum Revenue Provision statement
6. Specified and non-specified investments

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training. This especially applies to members responsible for scrutiny. The training needs of treasury management officers are periodically reviewed.

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers: -
   - the capital plans, (including prudential indicators)
   - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
   - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
   - an Annual Investment Strategy, (the parameters on how investments are to be managed)

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Council will receive quarterly update reports.

c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Audit & Governance Committee.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) has also been required. However, these additional reports do not have to be reported to Full Council/Board but do require to be adequately scrutinised. This role is undertaken by Cabinet. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

<u>Compliance with best practice</u>

Best practice guidance is regularly reviewed and updated as necessary. This strategy has been prepared in accordance with CIPFA's Code of Practice on Treasury Management, and is approved annually by Full Council. In December 2021, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued Prudential and Treasury Management Codes.

The codes have clarified CIPFA's position on the role of the treasury management team and that there is a clear separation between treasury and non-treasury investments. Accordingly, periodic reporting by the treasury management team to members will focus solely on treasury investments. If non treasury investments are considered, a separate report will be presented for approval and any changes required to Prudential indicators incorporated within an updated Treasury Strategy if necessary.

The Local Government Act 2003 and supporting Regulations requires the Council to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that capital investment plans are affordable, prudent and sustainable. This report incorporates the indicators to which regard should be given when determining the Council's Treasury Management Strategy for the next financial year.

As the Council is responsible for housing, Prudential Indicators relating to Capital Expenditure, financing costs and the Capital Financing Requirement will be split between the Housing Revenue Account (HRA) and the General Fund.

Treasury Management Consultants

The Council uses MUFG Corporate Markets as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

Annual investment strategy

The Act also requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. This is attached in appendix 2 and includes a list of additional responsibilities for the Section 151 Officer role following the issue of the Treasury Management Code of Practice and Prudential Code.

The proposed Strategy for 2026/27 in respect of the following aspects of the treasury management function is based upon the Section 151 Officer's view on interest rates, supplemented with leading market forecasts provided by the Council's Treasury Advisor, MUFG Corporate Markets.

Relationship of the Treasury Management Strategy to the Capital Strategy

All local authorities are required to prepare a Capital Strategy which is intended to provide the following: -

Section 1: Overview

- A high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how associated risk is managed
- The implications for future financial sustainability

The aim of the Capital Strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. The Capital Strategy is separate from the Treasury Management Strategy. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy objectives realised in investments in local capital assets. The capital strategy sets out:

- The corporate governance arrangements for capital investments
- Any service objectives relating to the investments
- The expected income, costs and resulting contribution
- The debt related to the activity and the associated interest costs
- The payback period (implementing the MRP policy contained in the treasury management strategy)
- For non-loan type investments, the cost against the current market value
- The risks associated with each activity

Section 2: Economic Context

Economic Update

Overview

Treasury management needs to be undertaken with a clear understanding of the economic context. Factors such as the bank rate and inflation rates have a clear impact on likely interest charged on future borrowing and interest earned on potential investments.

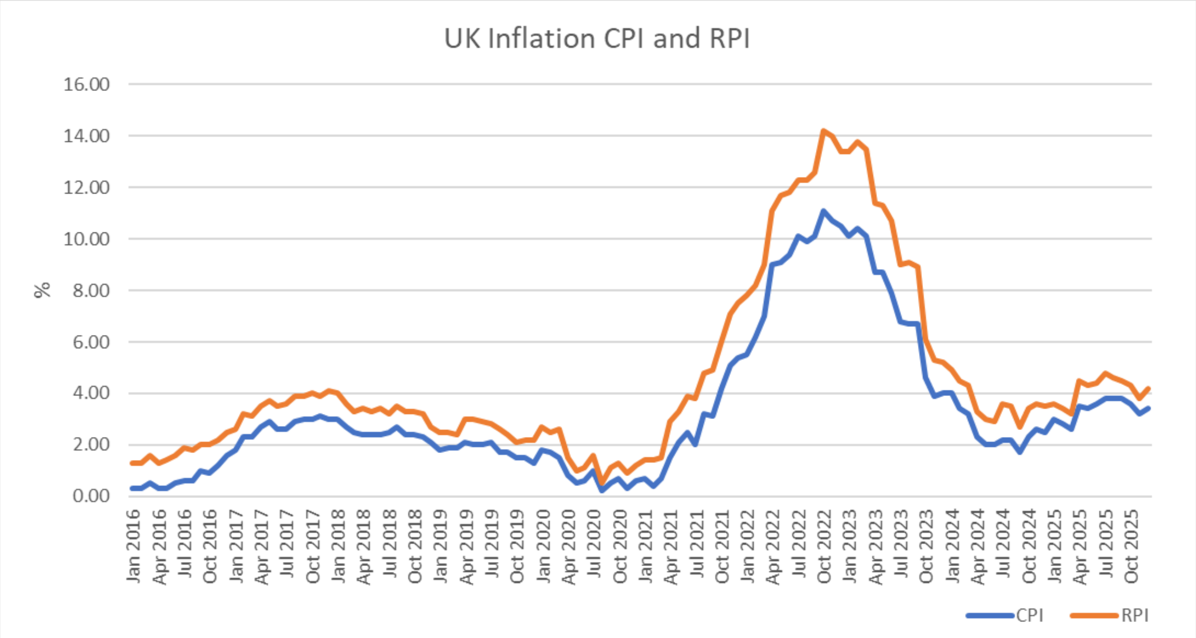
UK inflation is expected to gradually moderate as the temporary factors that pushed up the headline rate fade over the coming months. Some of the measures announced in the Autumn Budget could also contribute to the downward momentum in inflation.

Headline GDP is expected to slow in 2026, down to just 1% growth, but accelerate in 2027 with projected growth of 1.4%. Domestic demand is expected to remain weak next year, as a slowing labour market and weak household sentiment is set to keep consumer spending sluggish, with growth of just 1% in 2026.

The pace of interest rate cuts is likely to slow in 2026. The MPC has signalled that the scope for further cuts is narrowing as interest rates have become less restrictive. As a result, we expect the BoE to cut interest rates only twice in 2026, ending its easing cycle with rates settling at 3.25%. This is important to consider by the council when they need to secure external borrowing, as borrowing may need to be secured on a short-term basis so that more preferable rates can be secured once rates have reduced in the longer term. The Council will obtain advice in that event to ensure that the most economic option is identified.

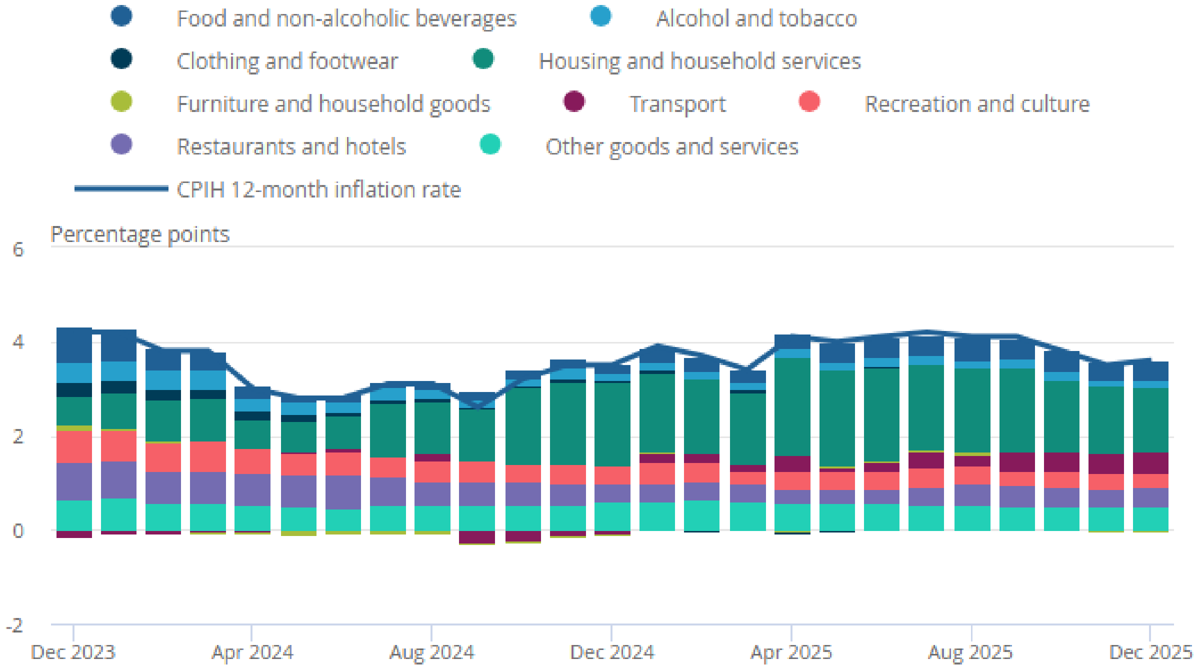
Inflation

CPI inflation has been on the rise during 2025, with the annual growth rate rising to 3.8% in July and reducing down to 3.4% by the end of the year.



Section 2: Economic Context

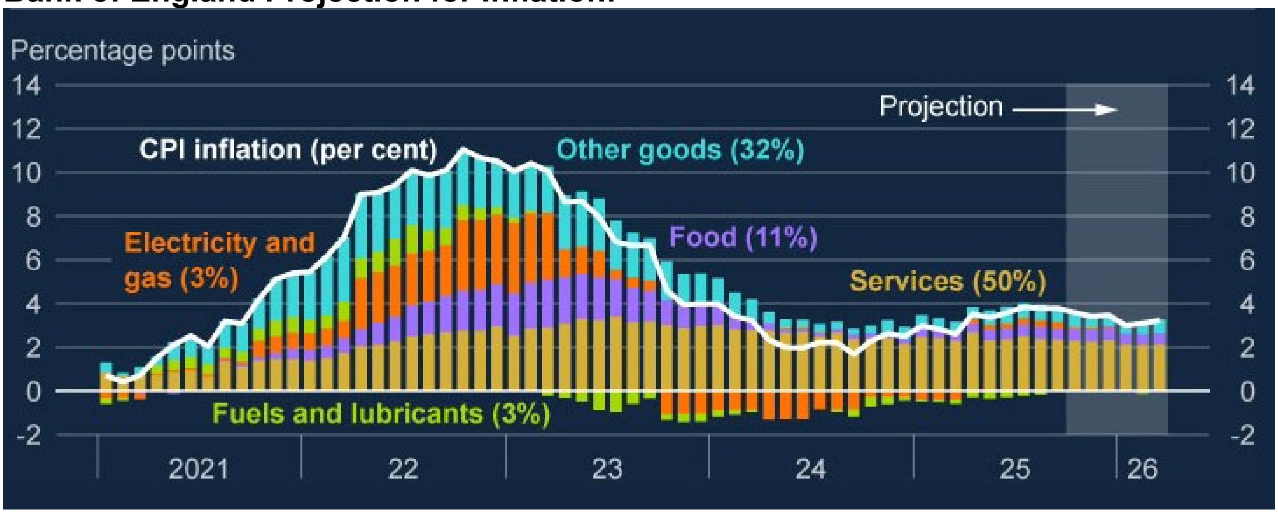
Largest Contributions to annual CPI inflation rate



Source: Consumer price inflation from the Office for National Statistics

The largest positive contribution to the CPIH annual inflation rate came from housing and household services. There were also significant changes in the annual rate from food, alcoholic beverages and tobacco, particularly from tobacco and from bread and cereals.

Bank of England Projection for Inflation:



Over half of the expected decline in CPI inflation over the next six months reflects a fall in the contribution of household fuel and energy bills. The effects of increases in energy prices a year ago will drop out of the annual comparison and reduce the contribution to headline inflation by 0.2–0.3 percentage points over 2025 Q4 and

2026 Q1 relative to September. Food inflation and, to a lesser extent, core goods inflation, are expected to remain elevated. An expected slowing in services inflation accounts for most of the remaining fall in CPI inflation to 3.2% in March. Services inflation is expected to fall to 4.3% in March, from 4.7% in September, as the effects of higher employer NICs begin to fade and lower wage growth continues to drag.

UK Government finances

Public sector net borrowing excluding public sector banks in the UK was £11.6 billion in December 2025, which was £7.1 billion less than in December 2024.

Public sector borrowing consists of two broad components: the current budget deficit and net investment. The current budget deficit can be considered as borrowing to fund day-to-day public sector activities. This makes up £5.8 billion of the £11.6 billion total borrowing in December 2025. This means that the public sector spent £5.8 billion more on the provision of day-to-day public services than it received in taxes and other current receipts. The public sector's net (capital) investment was £5.8 billion in December 2025, £4.8 billion less than in December 2024.

Public sector net debt excluding public sector banks (PSND ex) was £2,793.6 billion at the end of December 2025, or around 95.5% of gross domestic product (GDP).

Bank of England forecasts

At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4% but hinting strongly that a further rate cut was imminent if data supported such a move. By 18 December, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% q/q to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the MPC voted by 5-4 to cut rates further to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

CPI inflation has fallen since the previous meeting, to 3.2%. Although above the 2% target, it is now expected to fall back towards target more quickly in the near term. Reflecting restrictive monetary policy, and consistent with evidence of subdued economic growth and building slack in the labour market, pay growth and services price inflation have continued to ease.

Monetary policy is being set to ensure CPI inflation settles sustainably at 2% in the medium term, which involves balancing the risks around achieving this. The risk from greater inflation persistence has become somewhat less pronounced since the previous meeting, while the risk to medium-term inflation from weaker demand remains.

The extent of further easing in monetary policy will depend on the evolution of the outlook for inflation. On the basis of the current evidence, Bank Rate is likely to continue on a gradual downward path. But judgements around further policy easing will become a closer call.

Section 2: Economic Context

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

Section 3: Annual Investment Strategy

Annual Investment Strategy

The Authority's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Council's risk appetite.

In accordance with the guidance from DLUHC and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as credit default swaps and overlay that information on top of the credit ratings.

The income and expenditure flow of the Council is such that funds are temporarily available for investment. Under the Annual Investment Strategy the Council may use, for the prudent management of its treasury balances, any of the investments highlighted under the headings of Specified Investments and Non-Specified Investments as detailed in the final section of this strategy.

Creditworthiness Policy

This Authority applies the creditworthiness service provided by the MUFG Corporate Markets. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

- Credit watches and credit outlooks from credit rating agencies.
- Credit Default Swap (CDS) spreads to give an early warning of likely changes in credit ratings.
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration of investments and are therefore referred to as durational bands. The Council is satisfied that this service gives the required level of security for its investments. It is also a service which the Council would not be able to replicate using in house resources.

The selection of counterparties with a high level of creditworthiness will be achieved by a selection of institutions down to a minimum durational band with MUFG Corporate Markets weekly credit list of worldwide potential counterparties.

The MUFG Corporate Markets creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency’s ratings.

Monitoring of Credit Ratings

All credit ratings will continue to be monitored continuously and formally updated monthly if any changes are required. The Council is alerted to interim changes in ratings from all three agencies through its use of the MUFG Corporate Markets creditworthiness service.

If a counterparty’s or investment scheme’s rating is downgraded with the result that it no longer meets the Council’s minimum criteria, the further use of that counterparty will be withdrawn immediately. If a counterparty is upgraded so that it fulfils the Councils criteria, its inclusion will be considered for approval by the S151 Officer.

In addition to credit ratings the Council will be advised of information in movements in CDS against the iTraxx European Senior Financials benchmark and other market data on a daily basis via the Passport website. Extreme market movements may result in the downgrade of an institution or the removal from the Council’s lending list.

Sole reliance will not be placed on the use of this external service. In addition the Council will monitor the financial press and also use other market data and information e.g. information on external support for banks.

UK banks – ring fencing

The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities from the 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

Country Limits

The Council will only use approved counterparties from the UK and from other countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies). It is recommended that UK institutions continue to be used unless the sovereign credit rating falls below A. Following the problems with Icelandic Banks lending is currently restricted to the UK which currently has a sovereign credit rating of AA and Sweden which has the highest possible sovereign rating of AAA. The S151 Officer has delegated authority to revert back to placing investments in countries with a minimum sovereign credit rating of AA- in line with MUFG Corporate Markets’ revised creditworthiness policy if required.

Security of Capital

The Council’s current policy is to not place investments with any Foreign banks. The only exception to this is a call account set up with the Swedish bank, Handelsbanken, but this is a highly rated institution and the sovereign rating of Sweden is AAA. Funds are also repayable immediately if required.

Following approval of the S151 Officer, lending to AAA rated Money Market Funds has also been recommenced. Lending to other Foreign banks which comply with MUFG Corporate Markets’ creditworthiness policy may be considered again but only with the express approval of the S151 Officer.

In addition, in order not to solely rely on an institution’s credit ratings there have also been a number of other developments which require separate consideration, set out below.

Part Nationalised banks in the UK effectively take on the creditworthiness of the Government itself i.e. deposits made with them are effectively being made to the Government. This is because the Government owns significant stakes in the banks and this ownership is set to continue. MUFG Corporate Markets are still supportive of the Council using these institutions with a maximum 12 month duration. For this reason Royal Bank of Scotland (RBS) and National Westminster Bank which are part of the RBS Group are included on the approved counterparty list.

Local Authorities are not credit rated but where the investment is a straightforward cash loan, statute suggests that the credit risk attached to local authorities is an acceptable one (Local Government Act 2003 s13). Local Authorities are therefore included on the approved list.

The total permitted investment in any one organisation at any one time varies with the strength of the individual credit rating. For the highest rated and Part Nationalised Institutions the maximum amount is currently limited to £20m. Any changes to the maximum limit must be approved by the S151 Officer.

DLUHC Investment Guidance

Guidance from the DLUHC requires Councils to give priority to the security and portfolio liquidity of investments over yield whilst still aiming to provide good returns. This is in line with the Council's current practice and it is recommended that the policy should be reaffirmed.

The guidance also requires Councils to categorise their investments as either “specified” or “non-specified” investments.

Specified Investments

Specified investments are deemed as “safer” investments and must meet certain conditions, i.e. they must:-

- be denominated in sterling
- have less than 12 months duration
- not constitute the acquisition of share or loan capital
- either: be invested in the UK government or a local authority or a body or investment scheme with a “high” credit quality.

The Council is required to specify its creditworthiness policy and how frequently credit ratings should be monitored. It must also specify the minimum level of such investments.

Of the investments currently authorised by the Council, deposits in the Debt Management Office Account and with other Local Authorities automatically qualify as specified investments as they are of less than 12 months duration and are denominated in sterling.

The classification of the other investments is dependent on the counterparty having high credit quality in line with MUFG Corporate Markets’ creditworthiness policy. The Council is alerted to any changes in an institutions credit rating by MUFG Corporate Markets.

Non Specified Investments

These are any investments which do not meet the specified investment criteria outlined above. The Council is required to look at non-specified investments in more detail. It must set out:

- procedures for determining which categories of non-specified investments should be used
- the categories deemed to be prudent

- the maximum amount to be held in each category

The Strategy must also set out procedures for determining the maximum period for committing funds.

It is recommended that the following procedure be adopted for determining which categories of non-specified investments should be used:

- the Cabinet/Council should approve categories on an annual basis
- advice should be provided by the S151 Officer
- priority should be given to security and portfolio liquidity ahead of yield

It is recommended that for specified investments the range of maximum limits is set between £5m and £20m for the internal treasury team. For non specified investments it is recommended that the limit for the internal treasury team should be restricted to £70m of the total investment portfolio. Any changes to the maximum limits must be approved by the S151 Officer.

Temporary Investment Strategy

Investments will be made with reference to the core balance and cashflow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that rates can be expected to fall throughout 2026, but only if the CPI measure of inflation maintains a downwards trend towards the Bank of England's 2% target. Rates may be cut quicker than expected if the economy stagnates.

Accordingly, while most cash balances are required in order to manage the ups and downs of cashflow (amend as appropriate), where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed. The market is continually monitored for opportunities to lock in to higher, longer term rates in order to bring some stability to the returns going forward and add value. However, based on the interest rate assumptions outlined above, we do not expect to lock into longer term deals unless exceptionally attractive rates are available which make longer term deals worthwhile.

The current forecast for Bank Rate show an expected fall to a low of 3.25% in 2027.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year were updated on 11 August 2025 and are as follows:

Section 3: Annual Investment Strategy

Average earnings in each year	*Now*	*Previously*
	%	*%*
2025/26 (residual)	*3.90*	*4.10*
2026/27	*3.60*	*3.60*
2027/28	*3.30*	*3.50*
2028/29	*3.50*	*3.50*
2029/30	*3.50*	*3.50*
Years 6-10	*3.50*	*3.50*
Years 10+	*3.50*	*3.50*

Caution must be exercised in respect of all interest rate forecasts.

For the cash flow generated balances, we will seek to utilise instant access accounts, Money Market Funds and short dated deposits (1-3 months) in order to benefit from the compounding of interest. The present strategy is to diversify investments so as to spread risk over a range of investment types and periods and provide the opportunity to enhance returns. All investments will continue to be made in accordance with the Local Government Act 2003, and with those institutions on the authorised lending list. The credit status of institutions on the approved list is monitored continuously.

Policy on the use of external service providers

The Council currently uses MUFG Corporate Markets, as its external treasury management advisers. The Council recognises that the responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers. The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to review.

Scheme of Delegation

Full Council

- Approval of Treasury Strategy.
- Receiving and reviewing reports on treasury management policies, practices and activities including the Annual Treasury Report and Mid-Year Strategy Report.
- Budget consideration and approval

Cabinet

- Receiving & reviewing Treasury Strategy, Mid-Year Strategy Report, Annual Treasury Report and Quarterly Treasury Management Update Reports

Audit and Governance Committee

- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- Receiving & reviewing Treasury Strategy, Mid Year Report, Annual Treasury Report.

Role of the Section 151 Officer

The role of the S151 Officer in relation to treasury management is as follows:-

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly and monitoring compliance.
- Approval of segregation of responsibilities.
- Approval of the Treasury Policy Statement and Treasury Management Practices.
- Submitting regular treasury management policy reports.
- Submitting budgets and budget variations.
- Receiving and reviewing management information reports.
- Reviewing the performance of the treasury management function.
- Ensuring the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function. Medium Term Financial Strategy Summary
- Ensuring the adequacy of internal audit and liaising with external audit.
- Recommending the appointment of external service providers.

The above list of specific responsibilities of the s151 Officer in the 2021 Treasury Management Code has not changed. However, implicit in the changes in both Codes, is a major extension of the functions of this role, especially in respect of non-financial investments:-

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe.
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority

Section 3: Annual Investment Strategy

- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
  - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
  - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
  - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
  - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
  - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

Pension Fund Cash

The Council complies with the requirements of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 and does not pool pension fund cash with its own balances for investment purposes.

Section 4: Prudential and Treasury Indicators

Specified and Locally Adopted Prudential Indicators

The Prudential Code and CIPFA Code of Practice on Treasury Management require the Council to set a number of Prudential and Treasury Indicators. In addition to the specified indicators, we have set further internal indicators for Treasury Management, regarding lower limits on interest rate exposure for both borrowing and investments.

These are summarised below, and details are set out in the following paragraphs.

Capital Prudential Indicators:

1. Capital Expenditure and Financing
2. Borrowing Need
3. Liability Benchmark

Treasury Indicators:

4. External debt – Operational Boundary
5. External debt – Authorised Limit
6. External debt - estimated and actual debt
7. External debt - Interest rate exposure; Borrowing (fixed rate and variable rate debt)
8. External investment - Interest rate exposure; investments (fixed rate and variable rate investments)
9. External debt – maturity structure (profile of when debts become due in coming years)
10. External debt – maturity limits
11. Maturity limits – investments

It should be noted that these indicators should not be used for comparison with indicators from other local authorities as Treasury Management policies and practices vary with local circumstances.

Prudential Indicator 1 – Capital Expenditure and Financing
The estimated capital expenditure has been split between Non HRA and HRA and represents commitments to complete ongoing schemes, the estimated expenditure for 2026/27, 2027/28 and 2028/29. This indicator also includes details on the financing of capital expenditure. Any shortfall of resources results in a funding borrowing need.

Capital Expenditure	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Non HRA Capital expenditure	90.5	83.2	77.7	71.4	4.0
HRA Capital expenditure	17.4	22.2	20.7	17.7	10.7
Total Capital expenditure	**107.9**	**105.4**	**98.4**	**89.1**	**14.7**

Section 4: Prudential and Treasury Indicators

Financing of capital expenditure	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Capital receipts	0.8	(7.5)	(11.3)	(10.4)	(1.5)
Capital grants	(61.5)	(66.0)	(54.2)	(47.9)	(5.3)
Other Contributions	(17.5)	(4.4)	(2.9)	(14.4)	0.0
Major Repairs Allowance	(8.6)	(6.9)	(5.0)	(5.0)	0.0
Revenue	(1.0)	(1.5)	(0.4)	(0.0)	0.0
Net Financing need for the year	**20.1**	**19.1**	**24.6**	**11.4**	**7.9**

Prudential Indicator 2 – Borrowing Need

The capital financing requirement (CFR) is the maximum we would expect to borrow based on the total historic outstanding capital expenditure which has not been paid for from either revenue or capital resources. Therefore, it is essentially a measure of the Council's underlying borrowing need. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

Compliance with the indicator will mean that this limit has not been breached. Gross borrowing includes debt administered on behalf of Telford and Wrekin Council, Magistrates Courts and Probation Service. It also includes the debt transferred from Oswestry Borough Council and North Shropshire District Council on the 1st April 2009. In accordance with the Code the HRA Capital Financing requirement has been calculated separately and has been updated due to the HRA reform which took place on the 28 March 2012.

Gross borrowing less than CFR	2024/25 Actual £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Capital Financing Requirement:					
Non HRA Capital Financing Requirement	347	479	602	742	911
HRA Capital Financing Requirement	100	112	136	146	169
Total CFR	**447**	**591**	**738**	**888**	**1,080**
Movement in CFR	**32**	**145**	**147**	**149**	**192**
Movement in CFR represented by					
Net financing need for the year (above)	47	100	165	147	182
Less MRP/VRP and other financing movements	(15)	45	(18)	2	10
Movement in CFR	**32**	**145**	**147**	**149**	**192**
Gross Borrowing (including HRA)	420	515	680	827	1,009
Investments	(51)	(50)	(50)	(50)	(50)
Net Borrowing	**369**	**465**	**630**	**777**	**959**

Section 4: Prudential and Treasury Indicators

Prudential Indicator 3 – Liability Benchmark
This identifies the net borrowing requirement of a local authority plus a liquidity allowance. There are four components to the Liability benchmark:

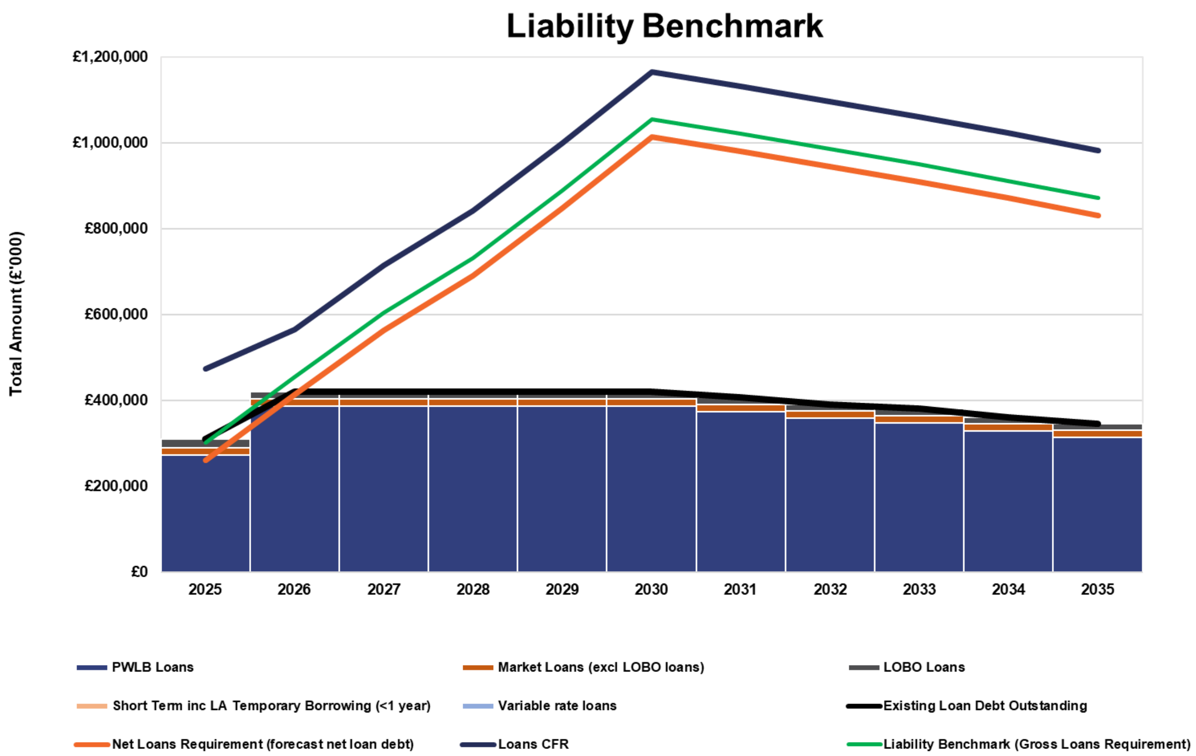
Existing loan debt outstanding: the Council's existing loans that are still outstanding in future years.

Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.

Net loans requirement: this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

Calculation of the Liability Benchmark is a complex calculation and has been undertaken by officers with assistance from the Council's Treasury Advisors, MUFG Corporate Markets to produce the information using a complex model.



Shropshire's calculated Liability Benchmark has been determined for ten years, 2025/26 to 2035-36, in accordance with CIPFA's recommendation. As an absolute minimum CIPFA requires the Liability Benchmark to be estimated and measured for the forthcoming financial year and the following two financial years and strongly recommends that the Liability Benchmark is produced for at least ten years.

The data shows a steep increase in the Loans Capital Financing Requirement (CFR) over the next 5 financial years, reflecting the need in the Medium-Term Financial Plan to secure Exceptional Financial Support. The Existing Loan Debt Outstanding lies significantly below this and so demonstrates the need to secure significant additional external borrowing over the coming years.

This may not actually reflect what happens over time however, as the modelling suggested by CIPFA does not take account of any new approved capital expenditure / CFR increases beyond the extent of the currently approved Capital Programme (financial years 2026-27 to 2028-29), i.e. CFR increases projected in the Capital Strategy are not included in the model. Also, if the Council can drive out savings over the course of the Medium Term, Exceptional Financial Support to the values stated may not be required.

Similarly, the data does not take account of the replacement of any existing loans that mature over the life of the model.

We continue to forecast that internal borrowing will form part of the financing mix for the CFR and that is represented in the chart by the gap between the Loans CFR and the Existing Loan Debt Outstanding (PWLB, Market and LOBO loans).

Prudential Indicator 4 – External Debt – Operational Boundary
This is the maximum borrowing limit set for Shropshire Council and includes the HRA borrowing. This indicator shows the maximum permitted amount of outstanding debt for all purposes. It includes three components:
1. The maximum amount for capital purposes;
2. The maximum amount for short term borrowing to meet possible temporary revenue shortfalls;
3. The maximum permitted for items other than long term borrowing i.e. PFI & leasing.

Operational Boundary	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Debt	713	783	902
Other long term liabilities	118	113	112
Total	**831**	**896**	**1,014**

Prudential Indicator 5 – External Debt – Authorised Limit
This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external

debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority is asked to approve the following Authorised Limit:

Authorised Limit	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Debt	811	831	991
Other long term liabilities	118	113	112
Total	**929**	**944**	**1,106**

Prudential Indicator 6 – Interest Rate Exposure – Borrowing Limits
The Prudential Code requires the Council to set interest rate exposure limits for borrowing and investments.

Interest Rate Exposure	2026/27	2027/28	2028/29
	£m	**£m**	**£m**
Upper Limit for Fixed Interest Rate Exposure	929	944	1,106
Upper Limit for Variable Interest Rate Exposure	464	472	553
Lower Limit for Fixed Interest Rate Exposure	464	472	553
Lower Limit on Variable Interest Rate Exposure	0	0	0

These indicators seek to control the amount of debt exposed to fixed and variable interest rates. Variable rate debt carries the risk of unexpected increases in interest rates and consequently increases in cost. The upper limit for variable rate exposure has been set following advice from MUFG Corporate Markets, however, this limit is unlikely to be reached due to authority's objective to have no more than 25% of outstanding debt at variable interest rates.

Calculation of indicators is set out below

- Upper limit for fixed rate exposure; A maximum of 100% of the Authorised Limit (£687m in 2026/27) exposed to fixed rates is consistent with the Authority's objective to have a long-term stable debt portfolio.
- Upper limit for variable rate exposure; For efficient management of the debt portfolio it is considered prudent by MUFG Corporate Markets to permit up to 50% (£472m in 2026/27) of the Authorised Limit to be borrowed at variable interest rates.
- Lower limit for fixed rate exposure; Upper limit for fixed rate exposure less the maximum permitted borrowing at variable interest rates
- Lower limit for variable rate exposure; Calculation: To be consistent with the Authority's objective to have a long term stable portfolio all of

the debt portfolio could be at a fixed rate therefore the lower limit for variable rate exposure should be nil.

Prudential Indicator 7 – Interest Rate Exposure – Investment Limits

Interest Rate Exposure	2026/27	2027/28	2028/29
Investment Limits	**£m**	**£m**	**£m**
Upper Limit for Fixed Interest Rate Exposure	250	250	250
Upper Limit for Variable Interest Rate Exposure	250	250	250
Lower Limit for Fixed Interest Rate Exposure	0	0	0
Lower Limit on Variable Interest Rate Exposure	0	0	0

These indicators seek to control the amount of investments exposed to fixed and variable interest rates. Variable rate investments are subject to changes in interest rates, but have a higher degree of liquidity and action can be taken at short notice in response to interest rate changes.

- Upper limit for fixed rate exposure: Maximum amount of fixed rate investments in order to maintain a stable investment portfolio.
- Upper limit for variable rate exposure: For the purposes of efficient portfolio management in response to interest rate conditions a maximum potential exposure to variable rates of £250m in 2026/27 is recommended.
- Lower limit for fixed rate exposure: A lower limit of zero is locally set so as to enable full advantage to be taken of market conditions.
- Lower limit for variable rate exposure: A lower limit of zero is locally set so as to enable full advantage to be taken of market conditions.

Prudential Indicator 8 – Upper and lower limits for the maturity structure of debts (borrowings)

Limits for the maturity structure of debts (borrowing)	Upper Limit	Lower Limit
Maturity Structure of Fixed/Variable Rate Borrowing During 2025/26*	**%**	**%**
Under 12 months	25	0
12 months & within 24 months	25	0
24 months & within 5 years	50	0
5 years & within 10 years	75	0
10 years & within 20 years	100	0
20 years & within 30 years	100	0
30 years & within 40 years	100	0
40 years & within 50 years	100	0
50 years and above	100	0

* Internal limit is to have no more than 25% of total outstanding debt maturing in any one financial year. This is to ensure that the risk of having to replace maturing debt at times of high interest rates is controlled.

Section 4: Prudential and Treasury Indicators

Prudential Indicator 9 – Maturity Limits - Investments
The Council is required to set maximum levels for investments over 365 days for both the internal treasury team and an external fund manager if appointed.

Maturity Limits > 365 days	2025/26	2026/27	2027/28
Investment Limits	**£m**	**£m**	**£m**
Upper Limit for Total Principal Sums Invested for over 365 days:			
Externally Managed (if appointed)	50	50	50
Internally Managed	70	70	70

Section 5: Minimum Revenue Provision (MRP) Statement

The Council's Annual Minimum Revenue Provision Statement

5.1 Statutory Requirements

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP). The 2003 Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute.

The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2024) includes four options (and there are two alternatives under Option three) for the calculation of a prudent provision.

There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial years. There is also no requirement to charge MRP on the Housing Revenue Account share of the CFR.

The legislation recommends that before the start of each financial year the Council prepares a statement of its policy on making MRP in respect of that financial year and submits it to the Full Council for approval.

5.2 Policy for Calculation of Prudent Provision

The options for the calculation of a Prudent Provision are detailed in appendix 3(a) to this report. Authorities must always have regard for the guidance and the decision on what is prudent is for the authority to conclude, taking into account detailed local circumstances, including specific project timetables and revenue-earning profiles.

Following a review of the MRP policy from 2018/19 the prudent provision for Supported Borrowing has been calculated based on the expected useful life of the asset on an annuity calculation basis.

Option 3a - Asset life method (Unsupported Borrowing) - equal instalment method will continue to be used for unsupported borrowing agreed prior to 2018/19 and specific treatment for PFI Assets and assets held under Finance Leases and long-term capital loans. For any approved unsupported borrowing from 2018/19 the prudent provision will be calculated on an annuity basis linked to the expected useful life of the asset for consistency with the Supported Borrowing calculation, Option 3b.

Section 5: Minimum Revenue Provision (MRP) Statement

5.3 Supported Borrowing

From 2016/17 the approach for calculating the MRP was on a straight line (equal instalments) calculation basis on the remaining asset life of the assets linked to the borrowing. An analysis of the average remaining asset life of the assets financed from previous supported borrowing, determined the average remaining life to be around 45 years and this was used as the basis of calculation.

From 2018/19 Council approved to adopt the annuity calculation method for supported borrowing whilst retaining the link to the average remaining useful life of the assets it was used to finance. The annuity calculation method results in lower MRP payments in the early years, but higher payments in later years. This method has the advantage of linking MRP to the flow of benefits from an asset where these are expected to increase in later years.

CIPFA puts forward the following reasons for using the annuity method in CIPFA's "The Practitioner's Guide to Capital Finance in Local Government" (2008) which states:

- The annuity method provides a fairer charge than equal instalments as it takes account of the time value of money, whereby paying £100 in 10 year's time, is less of a burden than paying £100 now.
- The schedule of charges produced by the annuity method results in a consistent charge over an asset's life, taking into account the real value of the amounts when they fall due.
- The annuity method is a prudent basis for providing for assets that provide a steady flow of benefits over their useful life.

For 2018/19 and onwards the Council has adopted the annuity-based calculation on a 45- year basis.

5.4 Unsupported Borrowing - Asset Life Method

For new borrowing under the Prudential system for which no Government support is being given and is therefore self-financed (unsupported borrowing) the MRP has been calculated in accordance with Option 3 Asset Life Method. Option 3 is to make provision over the estimated life of the asset for which the borrowing is undertaken.

Freehold land cannot properly have a life attributed to it, so for the purposes of Option 3 it should be treated as equal to a maximum of 50 years. But if there is a structure on the land which the authority considers to have a life longer than 50 years, that same life estimate may be used for the land.

To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate. For energy efficiency schemes the payback period of scheme is used as the basis for calculating the period over which MRP is calculated.

This method is a straightforward calculation of MRP for unsupported borrowing which calculates MRP based on asset life.

Provision for debt under Option 3 will normally commence in the financial year following the one in which the expenditure is incurred. But the guidance highlights an important exception to the rule. In the case of a new asset, MRP would not have to be charged until the asset came into service and would begin in the financial year following the one in which the asset became operational. This “MRP holiday” would be perhaps two or three years in the case of major projects, or possibly longer for some complex infrastructure schemes, and could make them more affordable.

Prior to 2018/19 the Council adopted the Option 3a Straight Line calculation for unsupported borrowing. From 2018/19 Council approved to adopt the Option 3b annuity calculation method for new unsupported borrowing whilst retaining the link to the average remaining useful life of the assets it was used to finance. The annuity calculation method results in lower MRP payments in the early years, but higher payments in later years. This method has the advantage of linking MRP to the flow of benefits from an asset where these are expected to increase in later years.

The authority can still make voluntary extra provision for MRP in any year.

5.5 Adjustment A

This is an accounting adjustment to the MRP calculation that ensures consistency with previous capital regulations. Once calculated, the amount remains constant within the MRP calculations.

Between 2016/17 and 2017/18 the adjustment A was not included in the MRP calculation but continues to be a legitimate part of the calculation under the 2003 Regulations (Regulation 28) and can therefore continue to be used to reduce the supported borrowing CFR for MRP purposes. It has been considered to be prudent to include the Adjustment A value from 2018/19 onwards to calculate the CFR value. For Shropshire the fixed Adjustment A calculation is £4,446,483.75

5.6 PFI Assets and Assets Held Under Finance Leases

For assets under on-balance sheet PFI contracts and finance leases, the annual principal payment amount in the PFI or finance lease model is used as the MRP payment amount, with no additional charges above those within the contract.

5.7 Long Term Capital Loans

The Council has made available a small number or capital loans to Housing Associations and Village Halls, financed from the Councils balances. The annual repayments of principal amounts are treated as capital receipts and set aside in the Capital Adjustment Account in place of a revenue MRP charge.

Section 5: Minimum Revenue Provision (MRP) Statement

5.8 Housing Revenue Account MRP

As at 31/03/25 the HRA CFR is £100.192m, this includes the £83.35m transferred to the Council as part of housing self-financing. In managing the HRA debt and considering the HRA business plan there is no mandatory requirement to make provision in the HRA for annual MRP payments. However, the Council will make annual voluntary provision for debt repayment in the HRA based on affordable levels in the HRA against the need for investment and delivering services in the HRA. The annual level of provision will be determined annually as part of the closure of the HRA.

5.9 2026/27 Annual MRP Statement

Section 5.11 provides the MRP statement for the 2026/27 financial year.

5.10 Capital Receipts Set Aside

The current regulations, Local Authority (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [SI 2008/414] state that the minimum revenue provision is calculated using the previous year's closing Capital Financing Requirement for supported borrowing.

In 2009/10 Shropshire Council got DCLG approval to allow the new council to voluntarily set aside capital receipts as at 1st April 2009 to reduce the CFR and consequently reduce the MRP charge for 2009/10. This approach was discussed with our Treasury Advisors and External Auditors and was approved by Members in a report to Council in December 2009.

As the extent of new borrowing is not subject to any limitation the sum of capital receipts set aside are still available to support capital expenditure in future years. This will increase the CFR to its previous level and the MRP charge in future years will increase, but not beyond the level had the saving not been generated in 2009/10. Thus, the saving in MRP is therefore temporary, albeit very helpful to the short-term financial position.

As the full level of capital receipts set aside were not required to finance capital expenditure between 2009/10 and 2020/21, a balance was retained as set aside as at the end of each financial year to enable a further MRP saving in the following financial years. In the 2026/27 MRP Statement it has been assumed all the capital receipts retained as set aside as at 31 March 2026 to reduce the CFR will be offset by an increase in the CFR in 2026/27 from capital expenditure incurred in 2026/27. In the event that the level of capital expenditure in 2026/27 to be financed from the capital receipts set aside is below the level of capital receipts set aside, it is proposed to retain the balance in capital receipts as set aside in order to achieve a further MRP saving in 2027/28. This will be reported for approval as part of the Capital Outturn report 2026/27.

5.11 Options for Prudent Provision

Section 5: Minimum Revenue Provision (MRP) Statement

Option 1: Regulatory Method (Supported borrowing)

MRP is equal to the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations, as if they had not been revoked by the 2008 Regulations. For the purposes of that calculation, the Adjustment A should normally continue to have the value attributed to it by the authority in the financial year 2004-05. However, it would be reasonable for authorities to correct any perceived errors in Adjustment A, if the correction would be in their favour.

Option 2: CFR Method (Supported borrowing)

MRP is equal to 4% of the non-housing CFR at the end of the preceding financial year without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. Option 3: Asset Life Method (Unsupported borrowing) Where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be determined by reference to the life of the asset. There are two main methods by which this can be achieved, as described below. Under both variations, authorities may in any year make additional voluntary revenue provision, in which case they may make an appropriate reduction in later years' levels of MRP.

(a) Equal Instalment Method
MRP is the amount given by the following formula:

$$\frac{A - B}{C}$$

Where:
A is the amount of the capital expenditure in respect of the asset financed by borrowing or credit arrangements
B is the total provision made before the current financial year in respect of that expenditure
C is the inclusive number of financial years from the current year to that in which the estimated life of the asset expires.

For the purpose of the above formula in the initial year of making the MRP the variable "C" should be given the maximum values set out in the following table:

Expenditure Type	Maximum value of "C" in initial year
Expenditure capitalised by virtue of a direction under s16(2)(b)	"C" equals 20 years
Regulation 25(1)(a) Expenditure on computer programs	"C" equals the value it would have for computer hardware
Regulation 25(1)(b) Loans and grants towards capital expenditure by third parties	"C" equals the estimated life of the assets in relation to which the third-party expenditure is incurred
Regulation 25(1)(c) Repayment of grants and loans for capital expenditure	"C" equals 25 years, or the period of the loan, if longer

Section 5: Minimum Revenue Provision (MRP) Statement

Regulation 25(1)(d) Acquisition of share or loan capital	“C” equals 20 years
Regulation 25(1)(e) Expenditure on works to assets not owned by the authority	“C” equals the estimated life of the assets
Regulation 25(1)(ea) Expenditure on assets for use by others	“C” equals the estimated life of the assets
Regulation 25(1)(f) Payment of levy on Large Scale Voluntary Transfers (LSVTs) of dwellings	“C” equals 25 years

(b) Annuity Method
MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing or credit arrangements. The authority should use an appropriate interest rate to calculate the amount. Adjustments to the calculation to take account of repayment by other methods during the repayment period (e.g. by the application of capital receipts) should be made as necessary.

Option 4: Depreciation Method (Unsupported borrowing)
MRP is to be equal to the provision required in accordance with depreciation accounting in respect of the asset on which expenditure has been financed by borrowing or credit arrangements. This should include any amount for impairment chargeable to the Income and Expenditure Account.

For this purpose, standard depreciation accounting procedures should be followed, except in the following respects.

a. MRP should continue to be made annually until the cumulative amount of such provision is equal to the expenditure originally financed by borrowing or credit arrangements. Thereafter the authority may cease to make MRP.
b. On disposal of the asset, the charge should continue in accordance with the depreciation schedule as if the disposal had not taken place. But this does not affect the ability to apply capital receipts or other funding sources at any time to repay all or part of the outstanding debt.
c. Where the percentage of the expenditure on the asset financed by borrowing or credit arrangements is less than 100%, MRP should be equal to the same percentage of the provision required under depreciation accounting.

Section 5: Minimum Revenue Provision (MRP) Statement

Appendix 3(b): Minimum Revenue Provision Statement 2026/27

Minimum Revenue Provision Statement 2026/27

	£
General Fund	
Closing CFR 2024/25	173,383,942
Proposed use of capital receipts voluntarily set aside to be applied in 2025/26	24,432,326
Adjustment A	-4,446,484
Less transfer of asset from GF to HRA	0
	193,369,784
Less LGR (98) Debt	-17,879
	193,351,905
Less MRP 2025/26	-2,852,404
Add Back LGR (98) Debt	17,879
CFR for Supported Borrowing MRP Calculation	**190,517,380**
Add Back Adjustment A	4,446,484
Closing CFR 31/03/26 - Supported Borrowing (GF)	**194,963,864**
Housing Revenue Account	
Closing CFR 2024/25	100,192,910
Add profiled prudential borrowing 2025/26	12,000,000
Add transfer of asset from GF to HRA	0
Less MRP 2025/26 (non budgeted as per HRA MRP Policy)	0
	112,192,910
Closing CFR 31/03/26 - Supported Borrowing (GF & HRA)	**307,156,774**
Unsupported Borrowing - Asset Life (based on individual assets)	
Unsupported Borrowing brought forward	173,210,569
Add profiled prudential borrowing 2025/26	87,801,716
Less MRP - 2024/25	-5,249,660
Closing CFR 31/03/26 - Unsupported Borrowing	**255,762,625**
Closing CFR (GF & HRA) 31/03/26 - Unsupported Borrowing	**562,919,399**
Additional items included:	
Village Hall Loans	244,684
Housing Association Loans	13,248,900
Cornovii Developments Ltd	36,610,000
Salix Loan	977,398
Biodynamic Carbon Loan Limited	392,000
Biodynamic Carbon Loan Investment	10,000
IFRS 16 Leases	4,666,505
	619,068,886
Summary MRP	
MRP 2026/27 on Annuity Basis at 45 year life from 2018/19	2,926,697
LGR (98) Debt MRP	5,976
Prudential Borrowing MRP	7,494,039
Total MRP	**10,426,712**

Section 6: Specified and Non-Specified Investments

LOCAL GOVERNMENT INVESTMENTS (England)

SPECIFIED INVESTMENTS

All investments listed below must be sterling-denominated.

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security/ Minimum Credit Criteria	Capital Expenditure?	Circumstance of use	Maximum period
Term deposits with the UK government (e.g. DMO Account) or with local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) with maturities up to 1 year	No	Yes	High security although most LAs not credit rated.	No	In-house and by external fund manager	1 year
Term deposits with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 1 year	No	Yes	Yes – Minimum colour band green	No	In-house and by external fund manager	1 year
Certificates of Deposit issued by credit-rated deposit takers (banks and building societies) up to 1 year. Custodial arrangement required prior to purchase	No	Yes	Yes – Minimum colour band green	No	In house buy and hold and External fund managers	1 year
Banks nationalised by high credit rated (sovereign rating) countries – non UK	No	Yes	Minimum Sovereign Rating AA	No	In house and external fund managers	1 year
UK Nationalised & Part Nationalised banks	No	Yes	Yes – Minimum colour band green	No	In house and external managers	1 year
Government guarantee (explicit) on all deposits by high credit rated (sovereign rating) countries	No	Yes	Yes – Minimum Sovereign Rating AA- / UK Sovereign Rating	No	In house and external fund managers	1 year
Bonds issued by multilateral development banks (Euro Sterling Bonds as defined in SI 2004 No 534)	No	Yes	AAA	No	In-House on a buy and hold basis after consultation/advice from MUFG Corporate Markets also for use by External fund manager	1 year
Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government e.g. National Rail Custodial arrangement required prior to purchase	No	Yes	UK sovereign rating	No		
Gilt Funds and Bond Funds (including Ultra-Short Dated Bond Funds)	No	Yes	AAA	No		1 year

Section 6: Specified and Non-Specified Investments

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security/ Minimum Credit Criteria	Capital Expenditure?	Circumstance of use	Maximum period
					In House and by external fund managers	
Gilts : up to 1 year Custodial arrangement required prior to purchase	No	Yes	Govt-backed UK Sovereign Rating	No	In House on a buy and hold basis and for trading by external fund manager subject to the guidelines and parameters agreed with them	1 year
Money Market Funds (CNAV), Enhanced Money Market Funds (LVNAV & VNAV) & Government Liquidity Funds (including CCLA Fund)	No	Yes	Yes AAA rated & UK sovereign rating. Enhanced MMFs minimum colour Dark Pink/Light Pink & AAA rated	No	In-house and by external fund managers subject to the guidelines and parameters agreed with them	the period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements. Deposits are repayable at call.
Treasury bills [Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value] Custodial arrangement required prior to purchase	No	Yes	Govt-backed UK Sovereign Rating	No	In House or external fund managers subject to the guidelines and parameters agreed with them	1 year

Monitoring of credit ratings:
All credit ratings will be monitored continuously and formally updated on a monthly basis if required. If a counterparty or investment scheme is downgraded with the result that it no longer meets the Council's minimum credit criteria, the use of that counterparty / investment scheme will be withdrawn.

Section 6: Specified and Non-Specified Investments

Any intra-month credit rating downgrade which the Council has identified that affects the Council's pre-set criteria will also be similarly dealt with.

Section 6: Specified and Non-Specified Investments

LOCAL GOVERNMENT INVESTMENTS (England)
NON-SPECIFIED INVESTMENTS

All investments listed below must be sterling-denominated (with the exception of the WME US dollar account).

Investment	a) Why use it? b) Associated risks?	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security/ Minimum Credit Criteria	Capital Expenditure?	Circumstance of use	Max % of overall investments	Maximum maturity of investment
Certificates of Deposit with credit rated deposit takers (banks and building societies) with maturities greater than 1 year Custodial arrangement required prior to purchase	(A) tradable more liquid than fixed term deposits (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of CD which could negatively impact on price of the CD. (ii) Although in theory tradable, are relatively illiquid.	No	Yes	UK Sovereign rating	No	In house on a buy and hold basis after consultation/advice from MUFG Corporate Markets & external cash fund manager(s) subject to the guidelines and parameters agreed with them.	50%	Suggested limit: Average duration in the portfolio not to exceed 5 years
Collateralised deposit	Deposits are backed by collateral of AAA rated local authority	No	Yes	UK Sovereign rating	No	In house & External Manager	25%	5 years
UK government gilts with maturities in excess of 1 year Custodial arrangement required prior to purchase	A. (A)((i) Excellent credit quality. (ii)Very Liquid). (iii) If held to maturity, known yield (rate of return) per annum ~ aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss.	No	Yes	UK Sovereign rating	No	In house on a buy & hold basis following advice from MUFG Corporate Markets and for trading by external cash fund manager subject to the guidelines and parameters agreed with them	50%	Suggested limit : Average duration in the portfolio not to exceed 5 years

Section 6: Specified and Non-Specified Investments

Investment	a) Why use it? b) Associated risks?	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security/ Minimum Credit Criteria	Capital Expenditure?	Circumstance of use	Max % of overall investments	Maximum maturity of investment
Term deposits with UK government, other Local Authorities, and credit rated deposit takers (banks and building societies) including callable deposits with maturities greater than 1 year	A)(i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment. (B) (i) Illiquid : as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	No	Minimum colour band purple	No	In-House For trading by external cash fund manager subject to the guidelines and parameters agreed with them	£40 million 50%	Suggested limit: 3 years
Sovereign bond issues ex UK Government Gilts: any maturity	A. (i) Excellent credit quality. (ii) Liquid. (iii) If held to maturity, known yield (rate of return) per annum – aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk B. (i) "Market or interest rate risk" : Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss	No	Yes	AAA	No	For trading by external cash fund manager only subject to the guidelines and parameters agreed with them	50%	Suggested limit: 5 years
Bonds issued by multilateral development banks (Euro-Sterling Bonds) or issued by a financial institution guaranteed by UK government Custodial	(A) (i) Excellent credit quality. (ii) Liquid. (iii) If held to maturity, known yield (rate of return) per annum – aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk	Yes	Yes	AAA	No	In house on a buy and hold basis after consultation/advice from MUFG Corporate Markets. Also for use by external fund managers	50%	5 years

Section 6: Specified and Non-Specified Investments

Investment	a) Why use it? b) Associated risks?	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security/ Minimum Credit Criteria	Capital Expenditure?	Circumstance of use	Max % of overall investments	Maximum maturity of investment
arrangement required prior to purchase	(B) (i) “Market or interest rate risk” : Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss							
Corporate Bonds & Corporate Bond funds (the use of these investments would constitute capital expenditure although this is currently under review)	(A)(i) Excellent credit quality. (ii) Liquid. (iii) If held to maturity, known yield (rate of return) per annum – aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk (B)(i) “Market or interest rate risk” : Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss	Yes	Yes	Minimum Sovereign rating AA	Yes	To be used by external fund managers only	50%	Suggested limit: 5 years
Pooled property funds – including CCLA Local Authorities Property Fund	Enhanced return but increased risk, only to be used following advice from MUFG Corporate Markets	No	Yes	No Minimum Credit rating need to assess underlying assets within fund following advice taken from MUFG Corporate Markets	No	In House Use & External Fund managers following advice from MUFG Corporate Markets	20%	5 years
Floating Rate notes	(A)(i) Rate of return tied to some measure of current interest rates, so when interest rates are expected to go up they offer protection to investors against	Yes	Yes	Minimum Colour band green	No	In House Use & External Fund managers following advice from MUFG Corporate Markets	10%	3 years

Section 6: Specified and Non-Specified Investments

Investment	a) Why use it? b) Associated risks?	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security/ Minimum Credit Criteria	Capital Expenditure?	Circumstance of use	Max % of overall investments	Maximum maturity of investment
	such rises (ii) In some circumstances may have access to banks which meet minimum credit criteria but generally don't take small fixed term deposit cash amounts (B)(i) Credit quality : if financial health of issuer deteriorates, investors will demand a greater yield and the price of the bond will fall							
US Dollar Deposits (WME Only)	US dollar account to be utilised as a part of West Mercia Energy prudent management of income and expenditure, ensuring that ongoing US dollar commitments can be hedged, thus extinguishing any adverse risk of exposure to movements in the exchange rate and guaranteeing a known cashflow for West Mercia Energy. The account is only to be used for this purpose and not for the purpose of speculative or trading transactions.	No	Yes	Minimum Colour band green	No	West Mercia Energy only	N/A	3 months

Committee and Date	Item
Cabinet 11th February 2026	Public

Healthy People | Healthy Economy | Healthy Environment | Healthy Organisation

Treasury Management Update Quarter 3 2025/26

Responsible Officer:	Duncan Whitfield, Director Financial Improvement
email:	Duncan.whitfield@shropshire.gov.uk
Cabinet Member (Portfolio Holder):	Roger Evans, Finance

1. Synopsis

The Council currently holds £24.2m in investments and £414.7m of borrowing. This report shows the return on those investments over quarter 3, the economic outlook for the next 3 years and confirms activities align with the Council approved Treasury Management Strategy.

2. Executive Summary

2.1. The report outlines the treasury management activities of the Council in the third quarter of 2025/26. It highlights the economic environment in which treasury management decisions have been made and the interest rate forecasts of the Council's Treasury Advisor, MUFG. It also updates Members on the internal treasury team's performance.

2.2. During Quarter 3 the internal treasury team achieved a return of 4.0% on the Council's cash balances, which was marginally lower than the benchmark by 0.1%. The returns amount to net income of £1.982m achieved as at quarter 3 which is included within the Council's outturn position in the Financial Monitoring Report. Further details on this are provided in paragraphs 9.2 and 9.3 of the report. The Monetary Policy Committee (MPC) reduced the Bank Rate by 0.25% to 3.75% in December 2025. It is widely anticipated that this will reduce again in the first half of 2026/27.

2.3. Under the CIPFA Treasury Management Code, it is best practice to provide quarterly Treasury Management updates.

3. Recommendations

3.1. Members are asked to review the position as set out in the report –

a) Noting the summary of the wider economic environment and the Council's borrowings and investments set out in Appendix A
b) Noting the performance within prudential indicators for quarter 3, 2025/26 (Appendix B)

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The assessment and management of risk are key considerations for any Treasury Management approach. Compliance with the CIPFA Code of Practice on Treasury Management, the Council's Treasury Policy Statement and Treasury Management Practices and the Prudential Code for Capital Finance together with the rigorous internal controls will enable the Council to manage the risk associated with Treasury Management activities and the potential for financial loss.

4.2. The Council's Audit Committee is the committee responsible for ensuring effective consideration of the Council's Treasury Management Strategy and policies.

4.3. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

4.4. There are no direct environmental, equalities or climate change consequences arising from this report.

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. The Council makes assumptions about the levels of borrowing and investment income over the financial year. Reduced borrowing as a result of capital receipt generation or delays in delivery of the capital programme will both have a positive impact of the council's cash position. Similarly, higher than benchmarked returns on available cash will also help the Council's financial position. For monitoring purposes, assumptions are made early in year about borrowing and returns based on the strategies agreed by Council in the preceding February. Performance outside of these assumptions results in increased or reduced income for the Council.

5.3. The Quarter 3 performance is slightly below the benchmark however net income of £1.982m has been achieved on investments during 2025/26. Further details on the performance against benchmark are detailed in paragraph 9.

5.4. As at 31 December 2025 the Council held £24.2 million in investments as detailed in Appendix A and borrowing of £414.7 million at fixed interest rates. The ability to secure fixed rates helps to manage the uncertainty and risk of changes to interest rates.

6. Climate Change Appraisal

6.1. The Council's Financial Strategy includes proposals to deliver a reduced carbon footprint for the Council therefore the Treasury Team is working with the Council in order to achieve this. There are no direct climate change impacts arising from this report. Shropshire Council's investment portfolio has no level 1, 2 or 3 emissions. It comprises of straightforward cash deposits with financial institutions and other Local Authorities.

7. Background

7.1. The Council defines its treasury management activities as "the management of the authority's borrowing, investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks". The report informs Members of the treasury activities of the Council between 1 April 2025 and 31 December 2025.

7.2. The council had £24.2m invested at the end of the third quarter period, as set out in Appendix A. This is a reduction in the overall investment balance over previous periods and reflects the gradual application of reserves in line with budget plans across recent years. During the period of comparatively high cash balances, the council has benefited from the ability to fund borrowing internally ('internal borrowing') rather than needing to secure external borrowing (via PWLB).

7.3. For wider context and consideration of the global financial outlook, an economic and borrowing update for the third quarter of 2025/26 is attached in Appendix D.

8. Economic Forecast

8.1. The Council receives its treasury advice from MUFG. Their latest interest rate forecasts to 31 March 2029 are shown below. The Bank Rate was reduced by 0.25% to 3.75% in December 2025 by the MPC. It is anticipated that further reductions in the bank rate will materialise in the first six months of 2026/27. The table below demonstrates the latest forecasts of interest rates over the next 3 years which will impact on future investment returns and the consequent benchmark.

MUFG Corporate Markets Interest Rate View 22.12.25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

9. Treasury Management Strategy

9.1. The Treasury Management Strategy (TMS) for 2025/26 was approved by Full Council on 27 February 2025 and the Treasury Management Strategy for 2026/27 will be presented to Council on 26 February 2026. The Council's Annual Investment Strategy, which is incorporated in the TMS, outlines the Council's investment priorities as the security and liquidity of its capital.

9.2. The Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate, it is considered appropriate to:

- Keep investments short term (up to 1 year),
- Only invest with highly credit rated financial institutions using MUFG's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by MUFG.
- The Treasury Team continue to take a prudent approach keeping investments short term and with the most highly credit rated organisations.

9.3. In the third quarter of 2025/26 the internal treasury team achieved a return of 4.0% on the Council's cash balances, which was marginally lower than the benchmark by 0.1%. As cash balances held are lower than in previous years, the Council need to ensure cash balances are highly liquid, resulting in lower interest rates on short term deals. Whilst returns on investment are important, as we strive to achieve the best investment we can, the Council's priority is always to ensure security of funds and ensure we hold sufficient liquid balances. With this in mind, this will often mean that we cannot secure the higher rate investments as these are offered to longer term deals. The Council does receive benchmarking analysis of its investments in relation to its comparative group and throughout the third quarter of 2025/26, its performance on investment were considered in line with the other organisations.

9.4. A full list of investments held as at 31 December 2025, compared to MUFG's counterparty list, and changes to Fitch, Moody's and Standard & Poor's credit ratings are shown within MUFG's Monthly Investment Analysis Review at Appendix A. None of the approved limits within the Annual Investment Strategy were breached during the third quarter of 2025/26. Officers continue to monitor the credit ratings of institutions on a daily basis. Delegated authority has been put in place to make any amendments to the approved lending list.

9.5. As illustrated above it is unlikely that investment rates in the market will increase above the current level of 3.75%. The average level of funds available for investment purposes in the third quarter of 2025/26 was £63.679 million.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Council, 27 February 2025 – Treasury Strategy 2025/26

Cabinet, 10 September 2025 – Treasury Management Update Quarter 1 2025/26

Cabinet, 3 December 2025 – Treasury Management Update Quarter 3 2025/26

Local Member: N/A

Appendices [Please list the titles of Appendices]

A. Shropshire Council Monthly Investment Analysis Review as at 31 December 2025 (provided by MUFG)

B. Prudential Indicators for Quarter 3 2025/26

C. Prudential Borrowing Approvals

D. Economic Background and Borrowing Update

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Shropshire Council

Monthly Investment Analysis Review

December 2025

Monthly Economic Summary

General Economy
The UK Manufacturing PMI rose to 50.6 in December, up from 50.2 in November, revised down from the preliminary estimate of 51.2 but ahead of expectations of 50.4. It was the second consecutive expansion after a year of contraction. Output rose for a third month with broad increases in consumer, intermediate, and investment goods sectors, supported by new work intakes, which expanded for the first time in 15 months. The UK Services PMI rose to 52.1 in December from 51.3 in November, exceeding forecasts of 51.6 and marking the 9th straight month of growth. However, employment fell for the 15th consecutive month amid cost pressures. Input costs rose at the fastest pace since May, pushing prices charged to their highest since August.

Combining the above, the UK Composite PMI picked up to 52.1 in December from November's 51.2, surpassing forecasts of 51.6. This was the eighth consecutive month of private sector expansion. On a less positive note, the UK Construction PMI fell to 39.4 in November (released on a one-month lag) from 44.1 in October, pointing to the steepest downturn in five-and-a-half years amid challenging conditions. New orders decreased to the greatest extent since May 2020, with respondents citing weak client confidence and delayed spending decisions linked to uncertainty ahead of the late-November Budget. Employment declined at the steepest rate since August 2020 and optimism was the weakest since December 2022.

UK GDP fell 0.1% in October, following a similar decline in September and missing expectations for a 0.1% expansion, marking the fourth consecutive month without growth. Services output declined 0.3% after a 0.2% gain in September, and construction fell 0.6% from a 0.2% rise. Conversely, production rose 1.1%, rebounding from a 2% plunge. The trade deficit widened to £4.82 billion in October from £1.09 billion in September, its largest gap since February. Exports fell 0.3% m/m to £77.00 billion, while imports rose 4.5% to £81.82 billion. Goods exports fell 0.8% to £30.96 billion, while goods imports rose 6.8% to £53.51 billion.

Employment fell by 16k in October after a 22k decrease in September, driven by fewer full-time positions. Average weekly earnings including bonuses rose 4.7% y/y to £739 in the three months to October, slowing from 4.9% but beating expectations of 4.4%. Private sector wage growth fell to 4.0% from 4.4%, the weakest since Dec 2020–Feb 2021, while public sector pay accelerated to 7.7%, the highest since Jul–Sep 2023. Adjusted for inflation, total earnings rose 0.6%, down from 0.7%, the lowest since May–Jul 2025.

Consumer prices fell 0.2% m/m in November, the first decrease since January and the biggest since July 2024, versus forecasts of flat. Annual inflation eased to 3.2%, the lowest in eight months, from 3.6% in October and below forecasts of 3.5% and the BoE's 3.4% prediction. The largest downward contribution came from food and non-alcoholic items, particularly bread and cereals. Prices also slowed for alcohol and tobacco, transport, and housing and utilities. Services inflation eased to 4.4% from 4.5%, below the BoE forecast. Clothing and footwear costs fell, while recreation and culture prices rose 2.9%, unchanged from October. Core inflation eased to 3.2% from 3.4%.

The GfK Consumer Confidence Index rose to -17 in December from -19 in November, beating forecasts of -18. Public sector net borrowing eased to £11.7 billion in November from £21.2 billion in October, below last year's £13.6bn and the lowest November reading since 2021. Receipts rose £5.9 billion y/y on higher tax revenues and National Insurance contributions, while expenditure rose £4.0 billion on public services and social benefits. Public sector net debt excluding banks stood at 95.6% of GDP.

As expected, the Bank of England cut Bank Rate by 25bps from 4.00% to 3.75% at its December meeting. The voting split was 5-4, with falling inflation persuading Governor Bailey to support a cut.

US Economy
Nonfarm payrolls rose by 64k in November, compared with a 105k loss in October and market expectations of a 50k increase. Headlining gains were health care and construction sectors, while federal government continued to lose jobs as the shutdown weighed with declines also seen in transportation and warehousing. US GDP advanced an annualised 4.3% in Q3 2025, the most in two years compared to 3.8% in Q2, and forecasts of 3.3%, the delayed estimate showed. The growth mainly reflected increases in consumer spending, exports, and government spending. Meanwhile the annual inflation rate in the US came in at 2.7% in December 2025, the lowest since July, below forecasts of 3.1% and 3% reported for September as energy prices rose 4.2% on the year, while food was a more modest 2.6% higher and shelter costs up 3%. Annual core inflation fell to 2.6% in November 2025, the lowest since March 2021 and below market expectations of 3%.

The FOMC cut the Federal Funds rate by 25bps at its December meeting, bringing it to the 3.50 - 3.75% range, albeit with three dissenting voters (two voted for no change, and one for a 50bps cut) as the committee remains divided. The accompanying statement signalled a pause for the near-term, in line with Governor Powell's press conference whereby he confirmed the Fed is "well positioned to wait and see how the economy performs from here."

EU Economy
The annual inflation rate in the Eurozone was revised down to 2.1% in November from a preliminary of 2.2%, matching the October reading. Services inflation accelerated to 3.5% from 3.4%, marking its highest level since April, while energy prices declined at a slower pace. The annual core inflation rate, which excludes prices of food, energy, and tobacco, was at 2.4% for the third consecutive month. Overall, the report was aligned with commentary from European Central Bank (ECB) Governing Council members suggesting that the central bank is unlikely to deliver more rate cuts under the current macroeconomic backdrop, with the members also voting to keep policy rates unchanged at their December meeting – as widely expected. The Eurozone economy grew 1.4% y/y in Q3 of 2025, compared to the 1.6% expansion recorded in both the first and second quarters, and broadly in line with the initial estimate. Spain led the major economies, expanding 2.8%, followed by the Netherlands at 1.6%. Among the bloc's other largest economies, GDP expanded 0.9% in France, 0.6% in Italy but just by 0.3% in Germany.

Housing
The Halifax House Price Index in the UK was flat from a month earlier in November 2025, following a 0.5% rise in October and missing expectations of a 0.2% gain. Meanwhile, the UK Nationwide House Price index unexpectedly fell 0.4% from a month earlier in December 2025, defying market expectations of a 0.1% increase and reversing a 0.3% rise in the prior period, marking the first monthly decline in four months, due to seasonal effects.

Currency
Sterling appreciated against the Dollar and the Euro.

December	Start	End	High	Low
GBP/USD	$1.3253	$1.3451	$1.3508	$1.3203
GBP/EUR	€1.1395	€1.1453	€1.1472	€1.1375

Interest Rate Forecast
MUFG Corporate Markets revised its forecast down 25bps from Q2 2026 to Q2 2027, maintaining an expected Bank Rate trough of 3.25% by Q4 2026. Capital Economics also revised its forecast down 25bps for Q2 2026 and Q3 2026, maintaining an expected trough of 3% by Q4 2026.

Bank Rate	NOW	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
MUFG Corporate Markets	3.75%	3.75%	3.50%	3.50%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Capital Economics	3.75%	3.50%	3.50%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	-	-	-	-	-

Shropshire Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss (£)
MMF Aberdeen Standard Investments	15,000,000	3.99%		MMF	AAAm		
MMF Insight	3,200,000	3.98%		MMF	AAAm		
Calderdale Metropolitan Borough Council	3,000,000	4.40%	22/12/2025	20/02/2026	AA-	0.003%	0
Wiltshire Council	3,000,000	4.30%	22/12/2025	20/02/2026	AA-	0.003%	0
Total Investments	**£24,200,000**	**4.08%**					£0

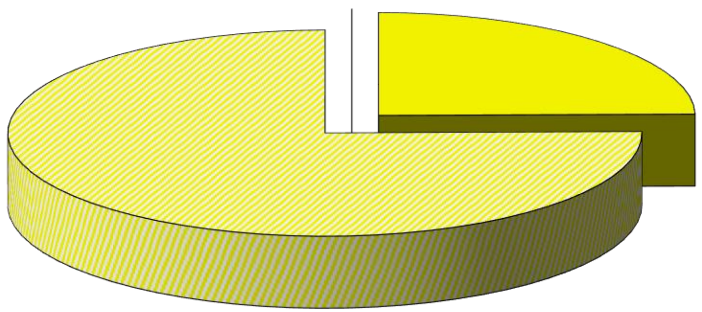
Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

The Historic Risk of Default column is based on the lowest long term rating. If clients are using this % for their Expected Credit Loss calculation under IFRS 9, please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil. Please note that we are currently using Historic Default Rates from 1990-2024 for Fitch, 1983-2024 for Moody's and 1981-2024 for S&P.

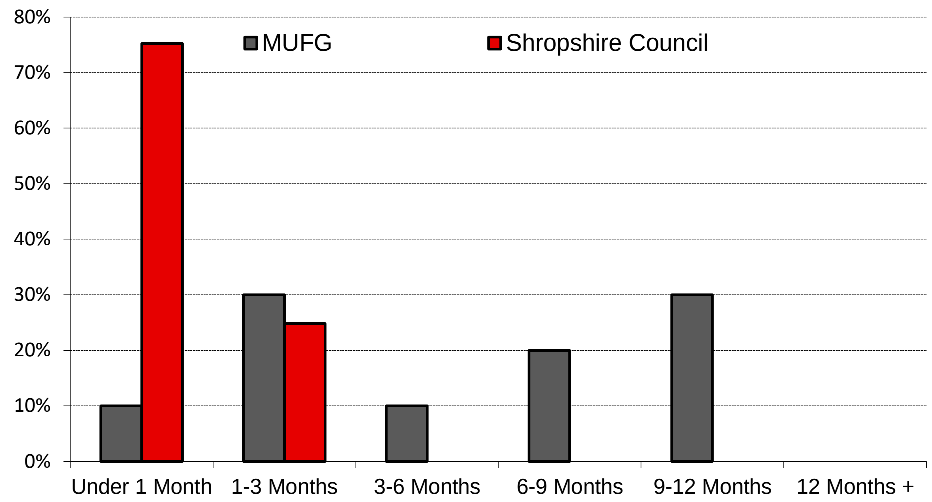
Where MUFG Corporate Markets have provided a return for a property fund, that return covers the 12 months to September 2025, which are the latest returns currently available.

Shropshire Council

Portfolio Composition by MUFG's Suggested Lending Criteria



Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour



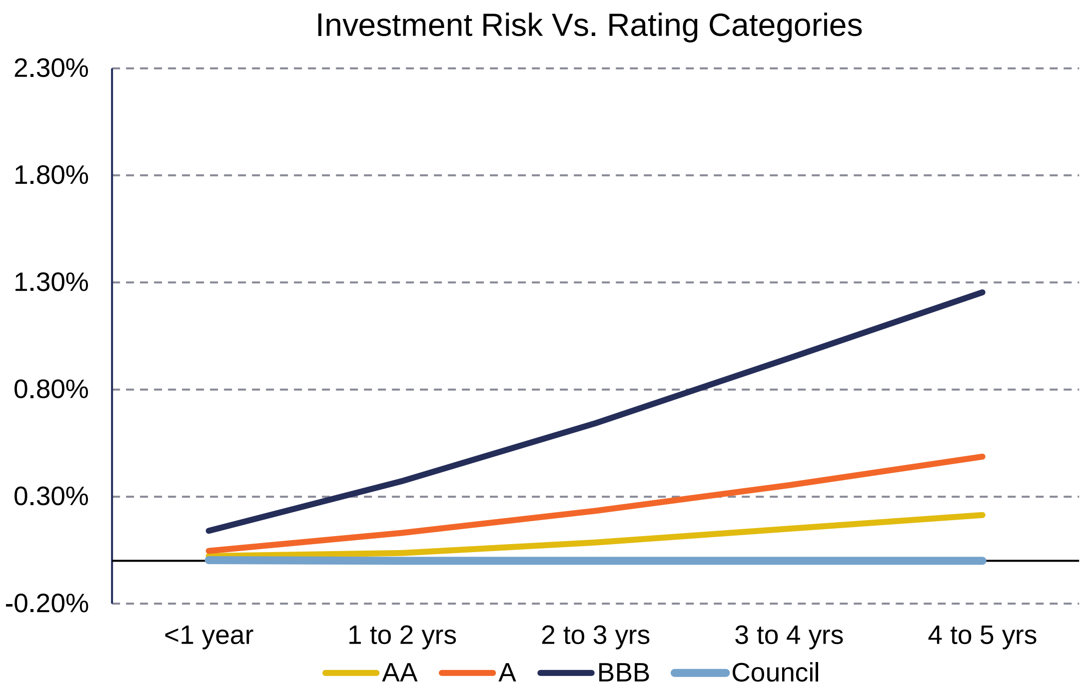
Portfolios weighted average risk number = 1.00

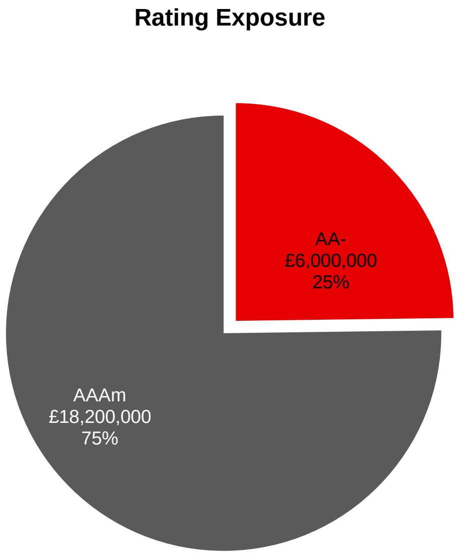
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

									Excluding Calls/MMFs/USDBFs	
	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	WAM	WAM at Execution
Yellow	100.00%	£24,200,000	75.21%	£18,200,000	75.21%	4.08%	13	15	51	60
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Red	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
	100.00%	**£24,200,000**	**75.21%**	**£18,200,000**	**75.21%**	**4.08%**	**13**	**15**	**51**	**60**

Shropshire Council

Investment Risk and Rating Exposure





Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.04%	0.09%	0.15%	0.21%
A	0.05%	0.13%	0.23%	0.35%	0.49%
BBB	0.14%	0.37%	0.64%	0.95%	1.25%
Council	0.00%	0.00%	0.00%	0.00%	0.00%

Historic Risk of Default
This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk
This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures
This pie chart provides a clear view of your investment exposures to particular ratings.

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

Shropshire Council

Monthly Credit Rating Changes
FITCH

Date	Update Number	Institution	Country	Rating Action
05/12/2025	2109	Credit Industriel et Commercial	France	The Outlook on the Long Term Rating was changed to Negative from Stable.

Shropshire Council

Monthly Credit Rating Changes
S&P

Date	Update Number	Institution	Country	Rating Action
05/12/2025	2110	Commerzbank AG	Germany	The Outlook on the Long Term Rating was changed to Positive from Stable.
05/12/2025	2111	Deutsche Bank AG	Germany	The Outlook on the Long Term Rating was changed to Positive from Stable.
12/12/2025	2112	ABN AMRO Bank N.V.	Netherlands	The Outlook on the Long Term Rating was changed to Positive from Stable.

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Monthly Credit Rating Changes
MOODY'S

Date	Update Number	Institution	Country	Rating Action
				There were no rating actions to report.

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APPENDIX B – PRUDENTIAL INDICATORS FOR QUARTER 3

Prudential Indicator	2025/26 Indicator £m	Quarter 1 – Actual £m	Quarter 2 – Actual £m	Quarter 3 – Actual £m	Quarter 4 – Actual £m
Non HRA Capital Financing Requirement (CFR)	455	317	317	312	
HRA CFR	111	103	103	103	
Gross borrowing	566	420	420	415	
Investments	75	39	44	24	
Net borrowing	491	381	376	391	
Authorised limit for external debt	748	420	420	415	
Operational boundary for external debt	660	420	420	415	
Limit of fixed interest rates (borrowing)	748	420	420	415	
Limit of variable interest rates (borrowing)	374	0	0	0	
Internal Team Principal sums invested > 364 days	70	0	0	0	
Maturity structure of borrowing limits	**%**	**%**	**%**	**%**	**%**
Under 12 months	25	19	19	19	
12 months to 2 years	25	16	16	16	
2 years to 5 years	50	3	3	5	
5 years to 10 years	75	21	21	20	
10 years to 20 years	100	14	14	15	
20 years to 30 years	100	18	18	18	
30 years to 40 years	100	4	4	4	
40 years to 50 years	100	3	3	1	
50 years and above	100	2	2	2	

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APPENDIX C -PRUDENTIAL BORROWING APPROVALS

Prudential Borrowing Approvals	Date Approved	Amount Approved £	Applied (Spent) 2006/07 - 2024/25 £	Budgeted 2025/26 £	Budgeted 2026/27 £	Budgeted 2027/28 £	Budgeted 2028/29 £	First year MRP Charged	Asset Life	Final year MRP Charged
Monkmoor Campus	24/02/2006	3,580,000								
Capital Receipts Shortfall -Cashflow	24/02/2006	5,000,000								
Applied:										
Monkmoor Campus			3,000,000					2007/08	25	2031/32
William Brooks			3,580,000					2011/12	25	2035/36
Tern Valley			2,000,000					2010/11	35	2044/45
		8,580,000	**8,580,000**	**0**	**0**	**0**	**0**			
Highways	24/02/2006	2,000,000	2,000,000					2007/08	20	2026/27
Accommodation Changes	24/02/2006	650,000	450,000					2007/08	6	2012/13
Accommodation Changes - Saving	31/03/2007	(200,000)								
		450,000	**450,000**	**0**	**0**	**0**	**0**			
The Ptarmigan Building	05/11/2009	3,744,000	3,744,000					2010/11	25	2034/35
The Mount McKinley Building	05/11/2009	2,782,000	2,782,000					2011/12	25	2035/36
The Mount McKinley Building	05/11/2009	0	0					2011/12	5	2015/16
Capital Strategy Schemes - Potential Capital Receipts shortfall	25/02/2010	187,600	0						25	
- Desktop Virtualisation			187,600					2010/11	5	2014/15
Carbon Efficiency Schemes/Self Financing	25/02/2010	1,512,442	1,512,442					2011/12	5	2017/18
Transformation schemes		92,635	92,635					2012/13	3	2014/15
Renewables - Biomass - Self Financing	14/09/2011	92,996	92,996					2014/15	25	2038/39
Solar PV Council Buildings - Self Financing	11/05/2011	56,342	56,342					2013/14	25	2038/39
Depot Redevelopment - Self Financing	23/02/2012	0	0					2014/15	10	2023/24
Oswestry Leisure Centre Equipment - Self Financing	04/04/2012	124,521	124,521					2012/13	5	2016/17
Leisure Services - Self Financing	01/08/2012	711,197	711,197					2013/14	5	2016/17
Mardol House Acqusition	26/02/2015	4,160,000	4,160,000					2015/16	25	2039/40
Mardol House Adaptation and Refit	26/02/2015	3,340,000	3,340,000					2016/17	25	2041/42
Oswestry Leisure Centre Equipment - Self Financing	01/08/2012	290,274	290,274					2018/19	5	2022/23
Car Parking Strategy Implementation	17/01/2018	590,021	590,021					2020/21	5	2024/25
JPUT - Investment in Units re Shrewsbury Shopping Centres	13/12/2017	55,299,533	55,299,533					2018/19	45	2042/43
JPUT - SSC No 1 Ltd	13/12/2017	527,319	527,319							
CDL Shareholding	28/02/2019	1	1					2021/22		
Children's Residental Care	28/02/2019	1,999,999	1,999,999					2020/21	25	2044/45
Pride Hill Shopping Centre Reconfiguration - LEP Match	19/12/2019	1,928,978	1,928,978					AUC	45	2070/71
Pride Hill Shopping Centre Reconfiguration - Feb 22 approval	01/02/2022	2,377,000	1,524,343	838,702				AUC	45	2070/71
Pride Hill Phase 1 Enabling Works	01/02/2022	0	13,955					AUC	45	2070/71
Multi Agency Hub - Feb 22 approval	01/02/2022	3,146,000	0	3,146,000				AUC	45	2070/71
Greenacres Supported Living Development	24/09/2020	-	0					N/A	N/A	N/A
Bishops Castle Business Park	19/09/2019	2,874,695	2,874,695					2023/24	25	2044/45
Whitchurch Medical Practice (Pauls Moss Development)	26/07/2018	3,778,228	3,208,151	570,078				2023/24	25	2047/48
Oswestry Castleview - Site Acquisition	19/12/2019	3,256,241	3,256,241					2020/21	25	2044/45
Former Morrisons Site, Oswestry	19/09/2019	3,390,145	3,390,145					2021/22	25	2045/46
Meole Brace Pitch & Putt		5,400,000	656,233	1,543,768	3,200,000			AUC	25	
Maesbury Solar Farm		2,041,173	82,383	1,458,789	500,000			AUC	25	
Commercial Investment Fund	Fin Strat 19/20	1,764,234	0	52,415	232,340	1,479,479		2021/22	25	2044/45
The Tannery Development Block A - Land Acqusition		657,253	657,253					2022/23	25	2045/46
The Tannery Development Block A		6,356,606	5,150	351,456	3,500,000	2,500,000		AUC		
The Tannery Development - Block B & C		7,471,561	7,471,561					2019/20	25	2045/46
Oswestry Property Acquisition	12/05/2022	3,332,304	3,332,304					2023/24	25	2047/48
Shrewsbury Property Acquisition		3,837,012	3,837,012					2023/24	25	2047/48

Prudential Borrowing Approvals	Date Approved	Amount Approved £	Applied (Spent) 2006/07 - 2024/25 £	Budgeted 2025/26 £	Budgeted 2026/27 £	Budgeted 2027/28 £	Budgeted 2028/29 £	First year MRP Charged	Asset Life	Final year MRP Charged
Biochar Pyrolysis - Project 1		545,000	60,906	484,094				2026/27	25	2047/48
Biodynamic Carbon (BDC) Limited Share Holding		500	500					2025/26	25	
Biodynamic Carbon (BDC) Limited Working Capital Investment		9,500	9,500					2025/26	25	
Biochar Pyrolysis - Project 2		2,751,000	237,229	1,213,771	1,300,000			2026/27	25	
Biochar Pyrolysis - Project Framework		4,000	4,000					2025/26		
Recycling Bin Roll Out Programme		2,029,778	2,029,778					2022/23	10	2032//33
Highways Investment Programme	Capital Strat Feb 22	22,954,755	22,781,755	173,000				2022/23	25	2046/47
Oswestry Innovation Park		10,028,332	7,279,039	713,000	2,036,293			2022/23	25	2046/47
Cambrian Building Oswestry - UKSPF		270,107	157,550	112,557				2022/23	25	2046/47
Whitchurch Swimming & Leisure Facility	22/09/2022	13,100,282	12,791,769	308,513				2026/27	40	2065/66
Previous NSDC Borrowing		955,595	955,595					2009/10	5/25	2065/66
Capital Receipts Released By Additional Borrowing		8,226,507	8,226,507					2024/25	25?	2048/49
Shrewsbury Sports Village - Swimming Pool	26/09/2024	2,248,000	440,011	1,807,989				AUC		
Ptarmigan Building FRA & Refurbishment Works		415,245	387,660	27,585				2025/26	10	2035/36
Transformation Programme 2024-25 Expenditure Funded Through Borrowing Under EFS Approval		26,819,527	26,819,527					2025/26	25?	
		228,510,436	**200,960,609**	**12,801,716**	**10,768,633**	**3,979,479**	**0**			

Appendix D

Economic Background and Borrowing Update

Economic Background

The third quarter of 2025/26 saw:

- A -0.1% m/m change in real GDP in October, leaving the economy no bigger than at the start of April.
- The 3myy rate of average earnings growth excluding bonuses fall to 4.6% in October, having been as high as 5.5% earlier in the financial year.
- CPI inflation fall sharply from 3.6% to 3.2% in November, with core CPI inflation easing to 3.2%.
- The Bank of England cut interest rates from 4.00% to 3.75% in December, after holding in November.
- The 10-year gilt yield fluctuate between 4.4% and 4.7%, ending the quarter at 4.5%.

From a GDP perspective, October's disappointing -0.1% m/m change in real GDP suggests that growth slowed to around 1.4% in 2025 as a whole.

Sticking with future economic sentiment, the composite Purchasing Manager Index for the UK rose from 51.2 in November to 52.1 in December, suggesting the economy may be benefitting somewhat from pre-Budget uncertainty fading. This may also reflect a diminishing drag from weak overseas demand. While the services PMI rose from 51.3 to 52.1, the improvement in the manufacturing output balance from 50.3 to 51.8 was larger. Indeed, the manufacturing sector has been more exposed to the recent weakness of external demand and has lagged the services sector since the end of last year.

Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. Nonetheless, the 0.1% m/m fall in retail sales volumes in November built on the 0.9% m/m drop in October, suggesting the longer-lasting effects of weak employment and slowing wage growth are impacting. Moreover, the decline in the GfK measure of consumer confidence from -17 in October to -19 in November suggests that consumers are not that optimistic at present.

Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.

Following the 26 November Budget, the Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives with £4.2bn to spare.

After the Budget, public net sector borrowing of £11.7bn in November was comfortably below last November's figure of £13.6bn and was the lowest November borrowing figure since 2021, mainly due to tax receipts being £5.4bn higher, largely because of the hike in employer NICs in April 2025. Cumulative borrowing in the first eight months of 2025/26 was still £10bn above last year's total. However, lower inflation and a disposal of assets ahead of the Budget should mean borrowing in 2025/26 comes in below last year's total.

A looser labour market is driving softer wage pressures. The 3myy growth rate of average earnings including bonuses eased from 4.9% in September to 4.7% in October. And excluding bonuses, the 3myy rate slowed from 4.7% to 4.6%. Regular private sector pay growth continued to slow from 4.2% to 3.9%. That left it broadly on track to meet the Bank's end of December prediction of 3.5%.

CPI inflation fell sharply in November, easing from 3.6% in October to 3.2%. This was the third consecutive softer-than-expected inflation outturn and suggests that disinflation is well underway. There was a widespread easing in price pressures with inflation slowing in 10 of the 12 main categories. Core inflation fell from 3.4% to 3.2% and services inflation dipped from 4.5% to 4.4%. However, a great deal will depend on the adjustments to regulated and indexed prices scheduled for next April.

The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further significant jump in value. The stock market hit new record highs above 9,900 in Mid-November, driven by a global rebound on hopes of a US government-shutdown resolution, expectations of a December rate-cut, and strong corporate earnings.

A summary overview of the future path of Bank Rate

There were two Monetary Policy Committee (MPC) meetings in the third quarter of the financial year. At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4% but hinting strongly that a further rate cut was imminent if data supported such a move. By 18 December, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% q/q to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the MPC voted by 5-4 to cut rates further to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

Borrowing

It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy. A list of the approved limits is shown in Appendix B. The Prudential Indicators were not breached during the third quarter of 2025/26 and have not been previously breached. The schedule at Appendix C details the Prudential Borrowing approved and utilised to date.

No new external borrowing has currently been undertaken to date in 2025/26.

The Council had not undertaken any new borrowing for a number of years until 2024/25, and had been utilising cash balances to internally "borrow" for prudential borrowing schemes. This had enabled the Council to benefit from increased interest costs compared to the returns that could be generated on the cash balances. This approach has been effective during a period where the Council has held significant cash balances.

Cash balances have now reduced as a result of reduced levels of reserves being held and loans continuing to reach their maturity dates. Therefore, it has been necessary over the last 18 months to secure additional borrowing to reduce the under-borrowed position.

Throughout the first nine months, markets have reacted to Government fiscal messaging, yields rising when concerns emerged over the ability of the Government to keep net spending under control ahead of the 26 November Budget, and then easing back to rates similar to those at the start of the financial year once markets felt reassured by the steps the Chancellor had taken to manage public spending and to also bolster her fiscal headroom.

Accordingly, 1-year PWLB Certainty rates started the financial year at 4.82% and finished 2025 at 4.37%, whilst the 5-year part of the curve started at 4.94% and finished at 4.78%. Rates never got above 5% throughout the nine months under review.

The table below shows the high/low/average PWLB rates for the first nine months of the financial year.

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2025	4.82%	4.94%	5.38%	5.95%	5.63%
31/12/2025	4.37%	4.78%	5.34%	5.95%	5.71%
Low	4.36%	4.62%	5.17%	5.78%	5.46%
Low date	04/08/2025	02/05/2025	02/05/2025	04/04/2025	04/04/2025
High	4.84%	4.99%	5.62%	6.41%	6.14%
High date	02/04/2025	21/05/2025	03/09/2025	03/09/2025	03/09/2025
Average	4.52%	4.81%	5.38%	6.08%	5.82%
Spread	0.48%	0.37%	0.45%	0.63%	0.68%

Transformation and Improvement Overview and Scrutiny Committee 9th February 2026

Item

Public

Healthy People | Healthy Economy | Healthy Environment | Healthy Organisation

Q3 2024/25 Performance Report

Responsible Officer:	Rachel Robinson		
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Cabinet Member (Portfolio Holder):	Cllr Heather Kidd - Leader		

1. Synopsis

The Shropshire Plan clarifies our vision and priorities, aligning our resources to deliver positive outcomes for our people, businesses and communities. Delivery of our outcomes is measured through the developing Performance Management Framework, demonstrating progress to date.

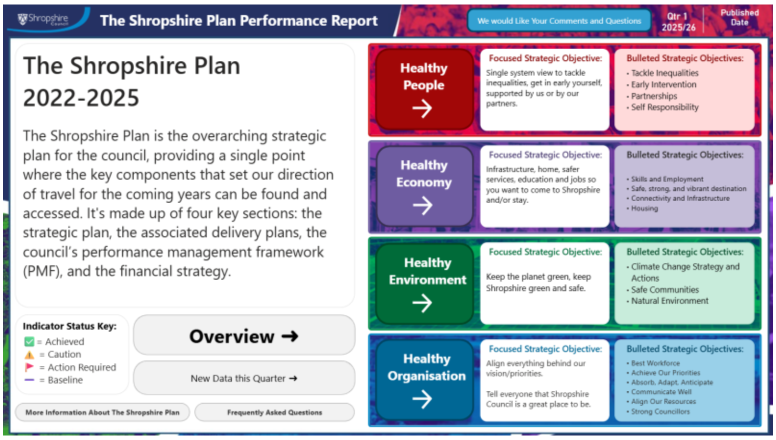
2. Executive Summary

2.1. The Shropshire Plan (TSP) 2022 to 2025 was created to clarify Shropshire Council's vision, priorities and strategic objectives. These objectives are the outcomes we aim to achieve within our available financial envelope. The Shropshire Plan is structured around four key priorities: Healthy People, Healthy Economy, Healthy Environment and Healthy Workforce. We monitor our success and understand delivery of our strategic objectives within each 'Healthy' through a suite of Key Performance Indicators (our performance framework), which forms the basis of this report.

2.2. This performance report covers the third quarter of the 2025/26 financial year (October to December 2025). Performance is reported on an exception basis, where performance may not be meeting targets.

2.3. The interactive The Shropshire Plan Performance Dashboard is the main source of performance information enabling greater insight, transparency and scrutiny of the Council's performance and delivery of its outcomes. This visualises each KPIs trends and comparison to other local authorities where possible. **This report should be viewed in conjunction with the dashboard- see the 'New Data This**

Quarter' page. A guide on navigating the dashboard is included in the Appendices.



2.4. The Corporate Plan is undergoing its refresh and the plan for 2025/26-2026/27 was considered by Council in December 2025. Subject to Council approval, the performance management framework (PMF) will need to be reviewed and strengthened to align with our strategic objectives to ensure we are an evidence-led and performance-managed council. A full list of the current KPIs can be found in the Appendix.

2.5. This Performance Report complements the Financial Outturn Report but provides a different perspective. We may therefore find that the position on KPIs is favourable, but that the finance position is adverse because the activity levels (the cost drivers) are higher than anticipated. As Shropshire Council continues to manage an unprecedented financial position, significant management action is required over the remainder of the financial year to ensure the Council's financial survival. This may involve scaling down initiatives, changing the scope, delaying implementation, or extending delivery timescales therefore potentially impacting on performance in some areas.

Key Findings and context

2.6. In Quarter 3 of 2025/26, a total of 36 Key Performance Indicators (KPIs) have been updated in The Shropshire Plan Performance Dashboard. 7 of these KPIs are grey, meaning that they do not have a target set for various reasons, such as: information only indicators or the KPI definition has changed.

Of the 29 newly reported KPIs with targets:

- 69% (20 KPIs) are above their target (green).
- 3% (1 KPI) of indicators were similar to their target (amber).
- **28% (8 KPIs) are below their target and are showing as exceptions** (red). The reasons for this are reported in the Additional Information section of this report.

2.7. **Healthy People**: We continue to experience a significant number of requests for assessments for education, health and care plans for children with special educational needs and disabilities. Despite creating specialist teams and recruiting permanent staff, difficulty to achieve timeliness targets are due to factors which include, late advice for assessment being available, increased complexity of cases, and insufficient resource to meet statutory timescales. The number of children overweight and obese in Shropshire continues to increase, with 1 in 4 reception aged children, and 1 in 3 Year 6 aged children overweight or obese. Support from the Early Help Team and timely delivery of targeted interventions remains high among our families this quarter, with a sustained high rate of closures preventing escalation of needs and future crisis. We are now proudly completing majority of children's social care assessments within 45 days, better than the national rate and among our statistical neighbours. We continue to achieve a high rate of stability of placements for our looked after children, remaining above the national and statistical neighbour figures and ensuring these children enjoy a stable and settled homelife to support them to achieve the best possible outcomes. We also continue to maintain contact with majority of our care leavers to provide ongoing support and guidance.

Modified	Indicator Name	Latest	Shropshire	Target	On Target?	Indicator Trend
14/01/2026	(NEW) HP7 - C09b- Year 6: Prevalence of overweight (including obesity)	2024/25	34.5%	31%		
14/01/2026	(NEW) HP6 - C09a- Reception: Prevalence of overweight (including obesity)	2024/25	24.8%	21%		
14/01/2026	(NEW) HP4 - Measles, Mumps Rubella for two doses (5 year old) - PHE DC04c	2024/25	90.3%	95%		
22/01/2026	(NEW) HP36 - Rate of people Killed or Seriously Injured (KSI) on our roads (rolling 3-year average)	Dec-25	120	-		
20/01/2026	(NEW) HP31 - % of Educational Health Care Plans (EHCP) issued within 20 weeks (exc exceptions)	Dec-25	13%	50%		
20/01/2026	(NEW) HP3 - Percentage of high-risk businesses, subject to a planned inspection, which were inspected to ensure compliance	Dec-25	57%	75%		
20/01/2026	(NEW) HP22 - % of care leavers the service remains in touch with	Dec-25	98%	96%		
20/01/2026	(NEW) HP20 - Targeted Early Interventions - All outcomes achieved	Dec-25	86%	80%		
20/01/2026	(NEW) HP19 - Stability of placements of looked after children: length of placement	Dec-25	70%	70%		
20/01/2026	(NEW) HP18 - % Assessment timeliness: within 45 working days	Dec-25	90%	90%		

2.8. **Healthy Environment**: We continue to send a smaller proportion of waste to landfill and have improved our number of environmental permit inspections completed. The validity and accuracy of the KPI measuring the proportion of premises with access to gigabit broadband (HEn17) is being reconsidered.

Modified	Indicator Name	Latest	Shropshire	Target	On Target?	Indicator Trend
13/01/2026	(NEW) HEn7 - Tonnage of household waste recycled	Sep-25	19,526	-		
13/01/2026	(NEW) HEn6 - % of household waste sent for re-use, recycling and composting	Sep-25	52.8%	52.6%		
13/01/2026	(NEW) HEn17 - Increase the proportion of Premises with access to gigabit broadband (>1,000Mbps)	Dec-25	78.9%	74.8%		
13/01/2026	(NEW) HEn15 - Number of Environmental Permit inspections completed against statutory target (100%)	Dec-25	43%	25%		
14/01/2026	(NEW) HEn10 - Improve energy efficiency of Council buildings – Energy consumption per SqM	Sep-25	8	-		
14/01/2026	(NEW) HEn1 - Visitors to outdoor recreation sites	Sep-25	254826	-		

2.9. **Healthy Economy:** Shropshire Council's Housing Service has significantly reduced the use of bed and breakfast (B&B) accommodation, more than halving the number of households in emergency accommodation this quarter compared to last quarter through strengthening homelessness prevention activity and increasing access to more suitable temporary accommodation. We continue to show strong economic performance in the county among measures for benefits and employment this quarter, with rates of households in receipt of universal credit and out of work claimants being favourable at approximately half that of regional and national rates. Shropshire residents pay is rising and remains similar to the national average however is rising at a slightly slower pace than nationally. Additionally, Job growth has also slowed in Shropshire in the most recent year. Planning applications continue to be delivered within target. Food hygiene compliance remains high, supporting a vibrant food, tourism and leisure sector

Modified	Indicator Name	Latest	Shropshire	Target	On Target?	Indicator Trend
13/01/2026	(NEW) HEc9 - Net increase in the number of jobs – baseline 135500 target 140,500 by Mar 2027	2024	142,000	137,645	✓	
13/01/2026	(NEW) HEc4 - Households in receipt of Universal Credit - to be lower than English and regional rates	Aug-25	16.3%	25.3%	✓	
13/01/2026	(NEW) HEc3 - Resident Pay to remain within 5% of the national average	Apr-25	£727	£728.3	✓	
20/01/2026	(NEW) HEc25 - Planning Applications - other	Dec-25	94.6%	70%	✓	
20/01/2026	(NEW) HEc24 - Planning Applications - minor	Dec-25	91.2%	70%	✓	
20/01/2026	(NEW) HEc23 - Planning Applications - major	Dec-25	77.8%	60%	✓	
14/01/2026	(NEW) HEc22 - Percentage of food establishments that are 'broadly compliant'	Dec-25	98%	97%	✓	
13/01/2026	(NEW) HEc2 - Reduce the workplace pay gap with the national average by 50% by 2027	Apr-25	11.2%	6.1%	⚑	
07/01/2026	(NEW) HEc18 - Reduction of households in B&B accommodation	Dec-25	40	50	✓	
21/01/2026	(NEW) HEc17 - Delivery of affordable homes	Dec-25	75	-	–	
13/01/2026	(NEW) HEc14 - Out of work claimant rates to remain lower than the Region and England	Dec-25	2.4	4	✓	
13/01/2026	(NEW) HEc1 - Levels of investment – target £350 million – 2022 – 27	Dec-25	£337,919,291	£240,000,000	✓	

2.10. **Healthy Organisation**: We are receiving less compliments and more complaints from residents and customers this quarter. However, many complaints did not require formal investigation and were made anonymously via the portal. FOI compliance rates are improving however is still missing the target. Despite a reduction in the use of interim and agency staff and staff turnover rates, the council is experiencing rising rates of sickness absence, which is placing additional strain on remaining staff.

Modified	Indicator Name	Latest	Shropshire	Target	On Target?	Indicator Trend
20/01/2026	(NEW) HO2 - Number of complaint investigations	Dec-25	237	265	✓	
22/01/2026	(NEW) HO19 - Number of data breaches reported to the Information Commissioner	Dec-25	6	-	–	
22/01/2026	(NEW) HO17 - Responding to Freedom of information Requests within statutory timescales (20 working days)	Dec-25	63%	100%	⚑	
22/01/2026	(NEW) HO15 - % of staff who have completed their Personal Development Plans	Dec-25	28.6%	-	–	
22/01/2026	(NEW) HO13 - Average number of days lost to sickness absence per year	Dec-25	10.97	8	⚑	
22/01/2026	(NEW) HO12 - Agency staff as a % of the workforce	Dec-25	2.9%	4.1%	✓	
22/01/2026	(NEW) HO11 - Staff turnover rates	Dec-25	5.5%	7%	✓	
20/01/2026	(NEW) HO1 - Number of compliments	Dec-25	92	112	⚑	

2.11. In Quarter 3, 4 KPIs continue to be exceptions. Progress updates from officers can be found in the Additional Information section.

3. Recommendations

It is recommended that Cabinet:

3.1. Note progress to date in achieving the outcomes of The Shropshire Plan, utilising the interactive Shropshire Plan Performance Dashboard

3.2. Collectively review and align Shropshire's Performance Management Framework and the associated suite of KPIs with the new administration's priorities, Corporate Plan and the Local Government Outcomes Framework metrics.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The management of the Council's Performance Management Framework is a key process in ensuring strategic risks are mitigated and the Council can carry out business as intended and planned for within TSP.

Contact: Rachel Robinson Rachel.robinson@shropshire.gov.uk

4.2. The management of key performance indicators is a key process to monitoring progress in the delivery of outcomes as set out in TSP. This provides insight into whether corrective action is required to bring performance back on track.

4.3. The performance report and dashboard provide a high-level lens into the performance of Shropshire Council allowing for further targeted detail analysis to support the mitigation of any risks identified.

4.4. Regular financial reporting is part of the governance and risk management approach within the Council ensuring that it delivers sustainable and value for money services as required under statute. Risk management continues to be an active part of this process, and Officers review potential risk and opportunity scenarios each month. The Council holds two finance related strategic risks regarding managing the current financial situation and so this remains under constant review to consider appropriate management action of the situation.

4.5. The dashboard includes instructions for use and a feedback form is available for questions or feedback. Members have been shown how to use the dashboard, and the Business Intelligence and Insight team are available for training for new Members.

4.6. Monitoring will be in place using the dashboard so any issues can be resolved in a timely manner.

4.7. Ultimately, the Council must risk assess the delivery of strategic objectives within TSP and adjust, accordingly, to ensure an acceptable balance of outcomes are achieved at a strategic level. This may mean the prioritisation of some objectives over others to react to the evidence presented within the PMF. It may not be possible to achieve optimal performance across all indicators and it may be necessary to oversee expected reductions in performance in some areas to remain within the overall financial envelope and ensure full focus is given to prioritised areas of activity by officers including significant management action required over the remainder of the financial year to ensure the Council's financial survival.

5. Financial Implications

5.1 Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet monthly. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2 The performance report provides progress on key activity targets which will have correlation to financial performance

5.3 It should be noted that positive improvement on activity may not necessarily correspond to financial improvement, and this should be drawn out in the narrative of the financial and performance reports.

6. Climate Change Appraisal

6.1. The performance report includes KPIs for Healthy Environment with measures for monitoring Shropshire Council's direction of progress on climate change.

6.2. Recommendations within the Climate Strategy and Action Plan Monitoring Report 2023 were agreed by the Council on the 18th of July 2024, including two recommendations specific to key performance indicators which will be incorporated into the Shropshire Plan Performance Report for future reporting: Specific carbon emission reductions by activity and Energy efficiency.

6.3. Climate Change also has significant implications for Healthy People, a Healthy Economy and a Healthy Organisation and further work to develop additional KPIs, in partnership with the Climate Team will reflect this. There has been a reduction in size of the Climate Change team and as a result, future work programmes are being reviewed. Further indicators will be made available as new data becomes available to ensure that as high a percentage as possible of primary data collected is based on measured carbon emissions via a clear and transparent process such as carbon accounting, rather than estimating scope 3 emissions based on spend.

6.4. Measuring emissions also provides a baseline for setting climate targets and deciding where to start reducing emissions. Repeating the measurement process annually allows Shropshire Council to track and report progress in a clear, transparent way to ensure that key stakeholders - members, regulators, employees, members of the public, other local authorities and system partners are informed about our collective climate action and impact.

7. Background

7.1. The focus of the Council in 2025/26 and the immediate future is necessarily directed at the delivery of a balanced budget, and is currently, therefore, the highest priority strategic objective within TSP balanced alongside protecting our most vulnerable children.

7.2. Information on each KPI is presented within The Shropshire Plan Performance Dashboard, which is published on a quarterly basis on the Council's website performance webpage. This includes performance status (red, amber, green - currently reported based on variation from the target), trends and benchmarking information, where available. See the 'Frequently Asked Questions' to view thresholds for variation. A guide on navigating the dashboard is included in the Appendices.

7.3. The approach being taken by Shropshire Council is progressive and in advance of many other authorities and this places us in a strong position to continually improve our approach to managing performance and ultimately providing evidence of our ability to deliver the outcomes set out in TSP.

7.4. The dashboard is designed to be a dynamic tool, continuously improving based on user feedback and emerging requirements. Feedback on the design and usability of the dashboard and performance webpage is welcomed. A feedback form is available for questions and queries, which are reviewed regularly with responses provided and published where appropriate alongside the dashboard.

7.5. In July 2025, the Government published a new draft Local Government Outcomes Framework (LGOF), setting out a proposed structure for how central and local government might work together to measure progress on key public service outcomes. This includes 15 priority outcome areas to support more consistent, transparent monitoring of local performance over time. These will be underpinned by outcome metrics drawing from existing data sources to show how progress will be measured. The metrics have been delayed and are said to be published this year, and the LGOF team are developing the accompanying digital tool for launch later in the spring.

7.6. The newly elected administration of Shropshire Council assumed office in May 2025. A thorough review of Key Performance Indicators (KPIs), involving Portfolio Holders, relevant Members, Executive Directors, and Service Directors, is necessary to ensure alignment with the priorities of the new administration, the Local Government Outcomes Framework (LGOF), and the updated Corporate Plan. The complete list of current KPIs is provided

8. Additional Information

Improvements

8.1. **HEc18 - Reduction of households in B&B accommodation**. The number of households living in B&B accommodation has more than halved since last quarter through strengthening homelessness prevention activity and increasing access to more suitable temporary accommodation. A great achievement by Shropshire's Housing team.

8.2. **HP18 - % Assessment timeliness: within 45 working days**. Our social work assessments timeliness has improved and we are now on target, completing 90% of assessments within 45 days. This has been due to continued performance monitoring and a refreshed focus on timeliness. Our aim is to sustain this rate as it is currently better than national (80%) and our statistical neighbour rates (86%).

8.3. **HEn6 - % household waste sent for re-use, recycling and composting**. We are successfully sustaining our rate of recycling and meeting our target at 53% (July - Sep 2025). This KPI is reported a quarter in arrears and this quarter typically includes some of the highest volumes for garden waste due to it being the summer months.

Exceptions

There are 8 exceptions reported in Quarter 3:

- 4 KPIs continue to be exceptions this quarter
- 4 KPIs are new exceptions this quarter

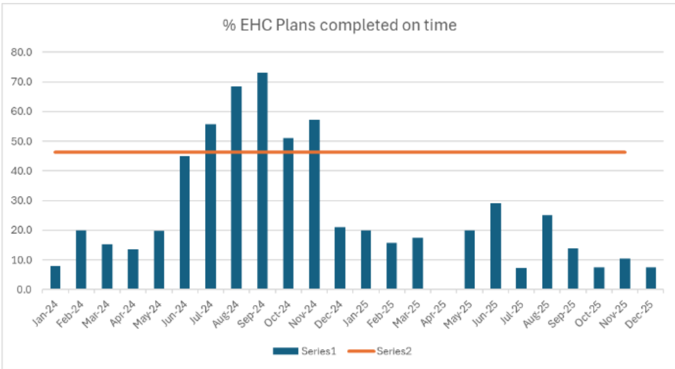
Modified	Indicator Name	Latest	Shropshire	Target	On Target?	Indicator Trend
14/01/2026	(NEW) HP7 - C09b- Year 6: Prevalence of overweight (including obesity)	2024/25	34.5%	31%		
14/01/2026	(NEW) HP6 - C09a- Reception: Prevalence of overweight (including obesity)	2024/25	24.8%	21%		
20/01/2026	(NEW) HP31 - % of Educational Health Care Plans (EHCP) issued within 20 weeks (exc exceptions)	Dec-25	13%	50%		
20/01/2026	(NEW) HP3 - Percentage of high-risk businesses, subject to a planned inspection, which were inspected to ensure compliance	Dec-25	57%	75%		
22/01/2026	(NEW) HO17 - Responding to Freedom of information Requests within statutory timescales (20 working days)	Dec-25	63%	100%		
22/01/2026	(NEW) HO13 - Average number of days lost to sickness absence per year	Dec-25	10.97	8		
20/01/2026	(NEW) HO1 - Number of compliments	Dec-25	92	112		
13/01/2026	(NEW) HEc2 - Reduce the workplace pay gap with the national average by 50% by 2027	Apr-25	11.2%	6.1%		

(Source: The Shropshire Plan Performance Dashboard)

Table 1. Exceptions
Provides progress updates from officers regarding continuing exceptions from last quarter, as well as newly identified exceptions for this quarter. Red dots indicate where a KPI is not meeting the target (exception) and green dots indicate where the KPI is meeting the target.

Continuing exceptions

KPI No.	KPI name	Q2 2025/26	Q3 2025/26	Progress update from Council officers
HP31	% of EHCPs issued within 20 weeks (excl. exceptions)	●	●	As of December 2025, timeliness of EHCP's 13.0%, down from 18.5% last quarter. Cabinet will recognise that this figure has consistently been underachieved throughout 2025. Despite positive recruitment and comprehensive training of the workforce, there remains an inequity between demand and capacity within the team. There has continued to be a steady decline in the timelines of EHCPs with an average of 41.6 weeks to issue, because of factors which include, late advice for assessment being available, increased complexity of cases, and insufficient resource to meet statutory timescales. Availability of Educational Psychology assessment advice is beginning to improve, along with Health and Social Care advice. CAMHS/ BEEU waiting lists, remain a challenge. Where the team could have finalised plans to improve *some* level of timeliness where assessment advice has been available, there remains insufficient provision available for a number of children and young people and therefore concluding an EHCP without the correct setting being named, simply protracts the outcome for the family and whilst bringing the EHCP assessment process to an end, does not conclude case work nor provide the required outcome. As a result, EHCNAs have remained 'open' whilst on-going conversations are being had with families to secure the best possible outcome. In this respect, we are taking a view on this practice and will consider how we can best marry the two issues. There is growth modelling underway to address the insufficient staffing currently available, which will provide an injection of resource to support a recovery plan.



Request for Assessment

Jan-21	**Feb-21**	**Mar-21**	**Apr-21**	**May-21**	**Jun-21**	**Jul-21**	**Aug-21**	**Sep-21**	**Oct-21**	**Nov-21**	**Dec-21**	**2021 Total**
20	22	28	16	33	29	21	6	25	22	26	23	**271**
Jan-22	**Feb-22**	**Mar-22**	**Apr-22**	**May-22**	**Jun-22**	**Jul-22**	**Aug-22**	**Sep-22**	**Oct-22**	**Nov-22**	**Dec-22**	**2022 Total**
35	41	50	35	53	31	49	13	31	35	77	63	**513**
Jan-23	**Feb-23**	**Mar-23**	**Apr-23**	**May-23**	**Jun-23**	**Jul-23**	**Aug-23**	**Sep-23**	**Oct-23**	**Nov-23**	**Dec-23**	**2023 Total**
93	88	118	49	105	80	98	19	45	71	70	66	**902**
Jan-24	**Feb-24**	**Mar-24**	**Apr-24**	**May-24**	**Jun-24**	**Jul-24**	**Aug-24**	**Sep-24**	**Oct-24**	**Nov-24**	**Dec-24**	**2024 Total**
74	63	80	93	78	52	91	12	49	78	57	65	**792**
Jan-25	**Feb-25**	**Mar-25**	**Apr-25**	**May-25**	**Jun-25**	**Jul-25**	**Aug-25**	**Sep-25**	**Oct-25**	**Nov-25**	**Dec-25**	**2025 Total**
80	93	81	57	75	73	86	30	47	64	82	56	**824**

HP3	Percentage of high-risk businesses, subject to a planned inspection, which were inspected to ensure compliance			This KPI relates to high risk food business inspections (Cat A and B). High risk food hygiene performance shows we have completed 57% of inspections at the end of Q3, missing the target of 75% but an improvement compared to Q2's figure of 29%. The figure is calculated against the Q4 target and not all premises due are evenly distributed throughout the year. Due to staff vacancies and sickness we are slightly behind our Q3 performance. Increased poor compliance in premises means longer and more follow up in poorer performing premises. We remain confident of achieving 100% of our target by the end of March.
HO13	Average number of days lost to sickness absence per year			Sickness absence for Q3 shows an increase compared to last quarter, up from 10.4 days to 11.0 days lost per FTE. Available benchmarking data for 2024/25 shows a median average of 9.5 lost days per employee across all local authorities and 10.2 days lost for authorities in the West Midlands. The increase locally is largely attributable to an increase in absences related to coughs, colds and influenza, which was the 3rd reason for absence this quarter and saw an increase of 57% from last quarter alongside a 36% rise in other chest and respiratory-related absences. This pattern is expected during the autumn–winter period, given seasonal flu levels in the community. Absence due to stress has reduced slightly—by just over 7% from Q2—yet still accounts for 30% of all absence. On a positive note, musculoskeletal-related absences have decreased by almost 35% since last quarter. HR continues to deliver targeted, proactive interventions to address sickness absence, particularly long-term cases. However, it is too early to determine whether these initiatives

				are directly responsible for the reductions seen in stress and musculoskeletal absence. Future analysis will help us assess the effectiveness of our ongoing work.
HO17	Responding to FOIs within statutory timescales (20 working days)			Overall compliance is improving, up from 55% in Q2 (Jul-Sep) to 63% in Q3 (Oct – Dec 2025). However, this is still below our target of 100%. Comparison data for other authorities is not available. **Planned improvements** • Where possible, IGT is sending directly to teams due to respond and reducing the need for responses to be authorised by Service Directors. This gives teams longer to consider the response. • Greater awareness and guidance: i) IG in general is being reviewed as part of the NOM agreed by Leadership Board on 7 October 2025. Ii) A workshop specifically about FOI was given to SLF on 11 September. An Extranet is being developed to provide easy access to awareness tools and response templates. Iii) IGT approaches teams to support teams and raise awareness of how FOI impacts their service and discuss ways to make it more efficient. • Teams continue to be encouraged to publish as much information as possible where information is requested frequently or where they anticipate local interest and increased enquiries

New exceptions this quarter

KPI No.	KPI name	Q2 2025/26	Q3 2025/26	Progress update from Council officers
HEc2	Reduce the workplace pay gap with the national average by 50% by 2027 (Annual figure)	-		This figure is reported annually, the 2024/25 figure was published during Q3 of 25/26. The workplace pay gap in the 2021 baseline year was 9.3%. The aim by 2027 is to reduce that gap by at least 50% to 4.6%. The target profile is to close the gap by 0.8% per year. Results from the ONS Annual Population Survey of Hours and Earnings for 2025 show the pay gap to be 11.2%, is higher than the figure of 9.10% in 2024 and continues to miss the target for the year of 6.1%. Workplace pay in Shropshire is £680.40 gross per week for full-time workers compared with £766.60 in Great Britain. Workplace wages in Shropshire grew at a slower rate than they did nationally in the year to April 2025 (+2.6% compared with 5.0%). Mitigation comment - Macro-economic indicators like wage levels are affected by national and global economic trends that are outside the control of Shropshire Council. However, closing the gap between national and local wage levels remains a key priority of the Shropshire Economic Growth Strategy, and we are acting to mitigate external influences by

				encouraging inward investment to the county and by working with FE/HE/training providers to ensure business have access to the skilled workers they require.
HP6	Reception: Prevalence of overweight (including obesity) – C09a	-		This figure is reported annually, the 2024/25 figure was published during Q3 of 25/26. In 2024/25, 24.8% of reception aged children in Shropshire were reported as overweight or obese, a rise compared to the previous year figure of 23.6% and remaining above the target of 21%. However we are statistically similar to the national (23.6%) and regional averages (24.4%) and rank mid table among our statistical neighbours. Work continues to reduce the prevalence of obesity in reception and year 6 aged children in the county. The Public Health Nursing service are piloting a Brilliant Bodies programme to support body positivity as well as a health assessment in reception and year 7. Open Access health visitor clinics have been implemented across the county to provide additional opportunities children for to be seen and offer support around feeding. The systemwide Healthier Weight strategy also continues to look to address the common themes that influence healthy weight.
HP7	Year 6: Prevalence of overweight (including obesity)- C09b	-		
HO1	Number of compliments			92 compliments were received within quarter 3. This total is a 25% decrease when compared to the previous quarter (122) and is below the target of 112. Overall reasons may include: -Poor public perception of Shropshire Council -Customer response times and handling -Service pressures and staffing levels -Time to record and report compliments to the Complaints Officers

Last quarter exceptions- progress update

HEc18	Reduction of households in B&B accommodation			In Q3 25/26, there were 40 households in B&B accommodation, a significant reduction from the 100 households in Q2 25/26 and now encouragingly below the than the target of 60. Shropshire Council's Housing Service has significantly reduced this through strengthening homelessness prevention activity and increasing access to more suitable temporary accommodation. This has been achieved through increased earlier intervention to prevent homelessness and the implementation of 4 new Temporary accommodation in-house schemes equating to over 100 bedspaces for single individuals. This temporary accommodation enables the service to provide more intensive support and referrals / sign posting to key agencies such as mental health and substance misuse. The schemes also enable support staff to work with residents on independent living skills such as cooking. This leads to improved outcomes for households, reduced costs for the council, and accommodation that better supports health, wellbeing and stability.
HO11	Staff Turnover rate (%)			Staff turnover has reduced from 7.71% to 5.47% quarter on quarter, meaning it is now below the target of 7% which is positive. When looking at our non-Shires employees who left through voluntary reasons, over 56% had 2 or less years' service and 76% had up to 5 years' service indicating that we are not retaining our newest recruits.
HP14	Rate of deaths by suicide (per 100,000 population)		No new data	N/A
HO19	Number of data breaches reported to the Information Commissioner			The ultimate goal and target would be no breaches and none which are reportable to the ICO. However, it's appreciated this is a difficult or impossible target, which is why this is not rated RAG formally in the dashboard. In Q3, there were 6 breaches reported to the ICO, compared to 3 last quarter. In total, 70 incidents reported to Information Governance in Q3, same as what was reported last quarter. 18 were found not to be personal data breaches, 52 Personal Data breaches and 6 reported to the ICO. Benchmarking from other authorities is not available. Improvements: after each breach, IGT will look at the root cause and make recommendations to prevent a similar event occurring again. In most cases, procedures; awareness and training are in place, and the event has occurred due to human error. .

A personal data breach is *broadly defined as a security incident that has affected the confidentiality, integrity or availability of personal data. In short, there will be a personal data breach whenever any personal data is accidentally lost, destroyed, corrupted or disclosed; if someone accesses the data or passes it on without proper authorisation; or if the data is made unavailable and this unavailability has a significant negative effect on individuals.*

The threshold for reporting to the ICO is: *When a personal data breach has occurred, Information Governance will establish the likelihood of the risk to people's rights and freedoms. If a risk is likely, the ICO must be notified; if a risk is unlikely, it doesn't have to be reported.*

It is a subjective test in some ways and can depend on the personal circumstances of the person affected. The decision is made in conjunction with the service area in most cases.

Action being taken to improve

IGT has updated and added to the advice and guidance on the Intranet, including a team briefing sheet that we ask managers to include on team meetings if their areas experience a high number of incidents. Along with the offer to attend team meetings and discuss any issues.

IGT are approaching other key areas, e.g. business support teams, to ensure they know what to do if there is an incident so that the right actions are taken asap to reduce the impact on those affected

Currently statistics relating to breaches is only reported quarterly to IGLOO. The expectation is that this information is cascaded down through service directorates. We are aware that i) the cascade isn't happening and ii) quarterly is not enough.

It was therefore agreed at the last IGLOO – September 2025, that IGT will report to Service Directors monthly and give them a breakdown of the following. We haven't started to do this yet we are just drafting a report template to be used.

- the number of breaches
- the level of risk associated with them (0 – incident but no actual breach; 1 – a low-level breach; 2 – a medium level breach; 3 – serious breach reportable to the ICO)
- the cause of the breach
- link to best practice, advice and guidance on actions they may take to reduce the number
- an offer to work directly with the team to discuss issues and talk through solutions.

9. Conclusions

9.1. The key performance pressure remains the delivery of a balanced budget which are detailed in the financial report.

9.2. Considering the financial constraints, overall Q3 25/26 shows reasonable performance in achieving The Shropshire Plan and its objectives, with 72% of the 29 newly updated indicators this quarter meeting or exceeding their target.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member:	All

Consultation with Local Member – *Please consider the Local Member Protocol (see page E60 onwards of part 5 of the Constitution) and determine whether it is necessary to consult with the local member over the proposal set out in this report. This may not always be applicable (eg where the proposal affects all of Shropshire) but it should always be a consideration and in some cases a necessity so as to comply with the spirit of the Protocol.*

Appendices

Appendix 1: KPI List

The Shropshire Plan KPIs.xlsx

Appendix 2: A guide on navigating the dashboard (Video):

[The_Shropshire_Plan_Performance_Report_Walkthrough.mp4]

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Committee and Date	Item
Transformation & Improvement Scrutiny 9th February 2026	
Cabinet 11th February 2026	Public

Healthy People

Healthy Economy

Healthy Environment

Healthy Organisation

Financial Monitoring Report Quarter 3 2025/26

Responsible Officer:	Duncan Whitfield, Director Financial Improvement
email:	duncan.whitfield@shropshire.gov.uk
Cabinet Member (Portfolio Holder):	Roger Evans, Finance

1. Synopsis

This report highlights a marginal deterioration in the forecast outturn position to £53.261m, which can be managed within existing earmarked reserves. The Council continues to take emergency actions to ensure the financial survival of the Council in the current year.

2. Executive Summary

2.1. This report provides a detailed review of the Council's financial position projected to year end using information as at the 31 December 2025. The key issues highlighted by this report are:

A. A projected overspend as at 31st December 2026 of £53.261m. This has deteriorated by £2.516m since Period 7 and therefore it has been deemed necessary to release £2.516m from the established Financial Strategy Reserve. Since declaring a financial emergency in September 2025, the Council has been working closely with the LGA to support actions to rectify the current position.

B. An initial General Fund Balance of £34.280m indicates that the projected variance would not be accommodated. Contingency funding has been identified within earmarked reserves to provide further resilience over the remainder of the financial year which includes the winter period.

C. The Council has submitted an application to the Government, via the Ministry for Housing, Communities and Local Government, for Exceptional Financial Support for 2025/26 and future years.

2.2. The financial position of the council remains highly challenging. Officers and Members across the Council are working under a declared financial emergency and every action is being taken to ensure in-year spend is minimised and income maximised. The key overall indicator of financial health for the Council is the General Fund Balance. However, a wide range of factors impact on that value. As such, the overall financial position has been analysed into seven separate areas that underpin the strategic risk "Inability to Contain overall committed Expenditure within the Current Available Resources within this Financial Year". See table at paragraph 4.2 and Table 2 at paragraph 4.4.

2.3. Table 1 below highlights the scenarios relating to the Council's revenue position only, presenting a range of possible outcomes.

Table 1 – Forecast as at 31 December showing the Revenue Monitoring central forecast and other possible scenarios

Scenario	Potential variation to budget £'000	Available General Fund Balance £'000	Unfunded Overspend £'000
Favourable	48.745	-34.280	14.465
Central	**50.745**	**-34.280**	**16.465**
Adverse	53.745	-34.280	19.465

2.4. The Council's financial position is complicated significantly by two further issues; funding for transformation activity through to March 2026 from Capital Receipts generation, and funding for the North West Relief Road should it be cancelled and/or unfunded from Department for Transport. A description of all seven risks referred to in 2.2 above and the current perspective on these is set out in the table 2 below.

2.5. The Council has submitted an application for in-principle Exceptional Financial Support of up to £71.4m made up of the following elements:

- £22.4m to support revenue expenditure
- £10.0m for transformation activity that cannot be accommodated through capital receipts generation.
- £39.0m to fund any revenue costs arising from the need to write off of spending relating to the North West Relief Road Project should the scheme be cancelled.

3. Recommendations

3.1. It is recommended that Cabinet Members:

A. Ensure emergency action is continued by all Officers during the last quarter of the financial year to improve further the Council's projected year end position. Such action should predominantly focus on reducing spend, increasing income, delivering remaining savings and significant mitigating actions to control in-year spending pressures.

B. Support the review of the Operations Boards, which have been in place from August 2025, to ensure these are delivering the greatest impact in terms of challenging spend across the Council. The impact of these boards will continue to inform future Finance Monitoring reports.
C. Consider the projected spend over budget at Period 9 of £53.261m, adjusted to £50.745m following the release of £2.516m from the Financial Strategy Reserve.
D. Consider the indicative level of savings delivery at Period 9 of £18.177m (30%).
E. Consider the projected General Fund Balance of £5m if the Council secures Exceptional Financial Support in 2025/26.
F. Cabinet Members note the projected deficit on the Dedicated Schools Grant and the approach to reviewing this.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. A more regular review of the emerging financial position for the year is an essential part of the risk management approach of the council during the coming year. The level of savings delivery and financial pressures in the current year are a recognised risk for the 2025/26 budget and continued focus and action are being put in place to address this.

4.2. Risk table

Risk	*Mitigation*
Savings delivery is below the targeted level; mitigations to unachieved savings are not secured at reasonable levels. Savings of £59.9m were agreed for the 2025/26 budget including £7.7m new savings, £10.9m of demand management activity in social care, and £41.3m of savings carried forward from 2024/25.	Savings delivery is divided into two main areas of activity – service-led activity and organisational-wide initiatives – each with different approaches. Organisational savings are the bulk of the carried forward savings from 2024/25 and are subject to support from the Project Management Office with further, deeper, initiatives proposed to mitigate shortfalls. Some areas of savings proposed by service leads have not yet been wholly achieved (or mitigated). Action must be taken in these areas to secure the savings as planned, or to mitigate unachieved savings through other measures.
That management actions required to bring the budget into balance do not yield the results being targeted, leading to a larger pressure on the general fund balance.	Engagement and action planning through the Leadership Board and Service Director's respective teams will provide mitigation to this risk. This includes visibility and closer scrutiny of all spending decisions in both pay and non-pay areas. Implementation of operations boards, with enhanced Service Director scrutiny to oversee spending and recruitment will help enforce management actions. Leadership Board now receive details on any key assumptions and risks underpinning the financial projections, so that an informed position can be agreed for the financial year

	and appropriate action taken, where necessary, to mitigate any know risks. Budget holder engagement has also been flagged with the Leadership Board to ensure that all areas of the budget are being reviewed by the relevant accountable officers for the budget. This should drive better engagement and ensure that all relevant officers are sighted on actions they can take to manage their budget areas.
Insufficient reserves to cover projected overspending or other deficit	Improved budget preparation process with more analysis of current and future activity trends will help mitigate this risk. Modelling of current and future reserves levels, including both earmarked and unearmarked, against likely levels of pressure and impact on securing the desirable level of unearmarked (general) reserves. Review of ways in which further funds can be brought into unallocated general fund balances and reserves to support balance sheet repair and reserves improvement. The immediate aim is to retain a General Fund Balance of at least £5m by year end and then increase in line with the risk-assessed level for 2026/27.
Other unbudgeted risks arise before the end of the financial year	The general fund balance is reviewed as part of setting the budget each year and compared with known areas of local risks (such as the pay settlement for staff, supply chain inflation, resident need for different services). The assessment at the start of the year indicated that the balance at 1 April would be sufficient to cover a range of risks. The current forecast indicates that risks are exceeding this assessment and cannot be sustained.

4.3. The key opportunity is that there are a further two months following consideration of this report at Cabinet, where action can be taken to secure an improved financial position for the financial year.

4.4. The Council continues to review 7 key risks around financial pressures, as set out in previous reports. These summarise key areas which could substantially change the overall position of the Council. Table 2 (below) summarises the nature of each risk and the P9 view on the position for each, as well as how those might change, both favourably and unfavourably.

Table 2 – Analysis of Three Forecast Scenarios with commentary

		Period9					
Survival factor	**MTFS assumption**	**Fav**		**Central**		**Adv**	
1. Savings delivery	Budget and MTFS assume 100% delivery of all savings on a recurrent basis. For 2025/26 a mitigation against in-year optimism bias was included in the GFB calculation at £11.5m (equating to c75% delivery against the 2025/26 target of £59.9m (excluding demand mitigations)	43.485	tracker reds @ 31 Dec are £43.485m of which £37.147m relates to brought forward savings from 2024/25 for which there are not robust delivery plans in place.	43.485	tracker reds @ 31 Dec are £43.485m of which £37.147m relates to brought forward savings from 2024/25 for which there are not robust delivery plans in place.	43.485	tracker reds @ 31 Dec are £43.485m of which £37.147m relates to brought forward savings from 2024/25 for which there are not robust delivery plans in place.
2. Social care demand pressure beyond budget estimates	Demand reduction measures assumed to support delivery within budget. Excess demand beyond that will impact overall financial performance.	36.575	No more favourable position currently identified.	36.575	Social Care Demand pressures in Adults and Childrens are not managed to available budget. Aim to mitigate against higher overspends in future months. Plus an increased risk of insufficient health contributions towards complex cases in light of increased CHC transfers.	38.575	Social Care Demand pressures in Adults and Children's are not managed to existing overspend, generating higher overspends in future months. Plus an increased risk of insufficient health contributions towards complex cases in light of increased CHC transfers.
3. Other unbudgeted pressures (-benefits)	The budget assumes all material considerations are included in the estimates. Other pressures outside those estimates are not included, hence the provision of a general fund balance (although other Councils include a revenue contingency budget).	-31.315	Assumes an improvement in one-off savngs delivery.	-29.315	No material pressures identified beyond those in the two sections above. Significant one-off savings currently identified offsetting pressures in savings delivery and social care. Use of remaining General Fund Balance	-28.315	Assumes a deterioration in one-off savngs delivery.
Subtotal - Revenue Monitoring Postion		**48.745**		**50.745**		**53.745**	
4. Capital receipts sufficiency	Capital receipts are generated at a level that, when added to 'in-hand' and 'de-committed' amounts, will cover VR costs plus transformation costs (capitalised). Any shortfall in capital receipts generated or increase in transformation costs could cause an additional pressure	8.000	Assumes a partial improvement in realising capital receipts in 2025/26	10.000	Delays in realisation of capital receipts in 2025/26, suggest a potential shortfall during the year, available to fund transformation activities.	10.000	No further delays anticipated beyond those already projected.
5. External factors	A number of factors are known to be able to impact the financial position indrectly, but the timing or likelihood of these is unknown at the time of setting the budget. The GFB level is set on the basis of being a fund of last resort in the face of such pressures.	0.000	Assume no in-year costs arising from regulator reports.	0.000	Assume no in-year costs arising from regulator reports.	1.000	Other financial risks that may arise including application of specific grants, cost implications of winter pressures and risks involving partner organisations
6. Project risks	No direct or indirect implications are assumed in the budget. Possible risks include the withdrawal of funding for major capital projects which may lead to revenue pressure as "sunk" costs are written off. This must be balanced against the risk of increased borrowing requirements in the event of continuing with significantly increased project costs. NWRR is currently paused pending review in light of increasing borrowing requirement of £155m.	0.000	No indications of any unidentified additional in-year costs likely to arise before March.	13.495	Decision taken to pause NWRR. If Council decide to cancel the scheme, spend to date of £38.895m needs to be accounted for. Central assumption: £20.4m DfT LLMF retained. £4.2m LEP funding for OLR retained £0.8m other OLR spend retained. Balance £13.495m would need a Capitalisation Direction through EFS to enable write off to revenue funded from borrowing.	38.895	Decision taken to pause NWRR. If Council decide to cancel the scheme, spend to date of £38.895m needs to be accounted for. Adverse assumption: All funding clawed back All spend would need a Capitalisation Direction through EFS to enable write off to revenue funded from borrowing.
7. Cash position (Liquidity)	The MTFS assumes that day-to-day liquidity is planned for an maintained. Failure to do this, or a rapid deterioration in the council's financial position may lead to unbudgeted finance costs, and reputational damage .	0.000	No more favourable position currently identified.	0.000	Detailed day-to-day cash forecast in place. MUFG (treasury advisors) engaged and advising on externalisation of previous internal borrowing. Clear management with £20m cash buffer. Projected borrowing required for 2025/26 built into monitoring position	0.000	All borrowing anticipated for 2025/26 has been built into the P7 monitoring position.
Total - Risk Assessed Position		**56.745**		**74.240**		**103.640**	

4.5. The Council has submitted an application for Exceptional Financial Support of £71.4m for 2025/26. Confirmation of Exceptional Financial Support to the value of £71.4m, alongside the establishment of a contingency reserve of £5.478m and a proposed year end balance of £5m will ensure that the central, favourable and adverse scenarios can be accommodated would remove the need for a section 114 Report to be issued. This assessment is underpinned by legal advice from a leading barrister in this area.

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. This report sets out the financial projections for the Council in the 2025/26 Financial Year as at Period 9. A summary of the key elements for managing the Council's budget are detailed elsewhere in this report.

6. Climate Change Appraisal

6.1. The Council's Financial Strategy supports its strategies for Climate Change and Carbon Reduction in several ways. A specific climate change revenue budget is held. The climate change schemes involving the Council's assets or infrastructure are included within the capital programme. These two areas of expenditure are anticipated to have a positive contribution towards climate change outcomes.

6.2. Securing a robust and sustainable financial base will help the Council meet the challenges of climate change – this is not separate to our budget management, but integral to it, as set out in the objectives of The Shropshire Plan and our aim to secure a Healthy Environment.

7. Background

7.1. Given that the financial position of the council remains highly challenging, summary budget monitoring reports highlighting the anticipated year end projection are produced monthly for Cabinet, with detailed updates reported quarterly to Cabinet.

8. Forecast Revenue Outturn Position as at Quarter 3

8.1. At Quarter 3 (April 1 – December 31), the Council is reporting a forecast overspend of £53.261m. This forecast is based on the current projections for savings delivery and levels of demand and pressures being catered for that exceed available budgets. It has been agreed that £2.516m will be released from the Financial Strategy Reserve to minimise the impact on the General Fund Balance. While this report provides an update on the in-year position, it is important to reference the work being done alongside this in improvement planning that aims to create a more stable financial position for 2026/27 moving to a sustainable financial position over the coming years.

8.2. Table 3 below summarises the position by service area (see also Appendix 1)

Table 3: 2025/26 Forecast Revenue Outturn by Service Area

	Revised Budget (£'000)	YTD Actual (£'000)	Projected Outturn (£'000)	(Under)/ Overspend (£'000)	RAGY Classification	P7 (Under)/ Overspend (£'000)	DoT
Service Area							
Care & Wellbeing	134,982	143,080	151,773	16,791	R	17,722	↓
Children & Young People	79,845	167,295	91,954	12,109	R	10,976	↑
Commissioning	42,623	38,364	39,875	(2,748)	Y	(2,707)	↑
Communities & Customer	14,757	13,797	12,607	(2,150)	Y	(2,385)	↓
Enabling	6,426	47,354	9,155	2,730	R	2,682	↑
Executive Management Team	3,011	862	3,207	15	G	13	↑
Infrastructure	42,484	33,641	45,174	2,690	R	2,668	↑
Legal, Governance & Planning	4,904	5,190	2,996	(1,908)	Y	(751)	↑
Pensions	29	2,251	29	0	G	0	-
Strategy	(199)	17,635	(146)	53	A	170	↓
Service Delivery Budgets	**328,863**	**469,469**	**356,444**	**27,582**		**27,389**	
Corporate	(40,277)	12,247	(14,598)	25,679	R	23,357	↑
Net Expenditure	**288,586**	**481,716**	**341,847**	**53,261**		**50,746**	
Release Financial Strategy Reserve	0	0	(2,516)	(2,516)		0	
Net Expenditure after adjustment	**288,586**	**481,716**	**339,331**	**50,745**		**50,746**	
Funding							
Council Tax	(219,283)	0	(219,283)	0	G		
Business Rates	(46,683)	0	(46,683)	0	G		
Top Up Grant	(11,025)	(11,025)	(11,025)	0	G		
Revenue Support Grant	(8,668)	(7,887)	(8,668)	0	G		
Collection Fund (Surplus)/Deficit	(2,927)	0	(2,927)	0	G		
Total Funding	**(288,586)**	**(18,912)**	**(288,586)**	**0**	G		
Total	**0**	**462,804**	**50,745**	**50,745**			

8.3. The current forecast overspend can be summarised as:

- £41.699m of savings not yet identified or without a clear delivery plan in place. The majority of these savings were brought forward from previous year and were dependent upon a clear transformation plan built around the new operating model. While savings are generally deliverable within service areas, several overarching savings are shown mostly within the 'Corporate' line in the table above. Work to create an Improvement Plan and subsequent Corporate Plan are essential to reconfigure the Council and revise service delivery ambitions to create a sustainable financial position. This will be set out in future Medium Term Financial Strategies.
- £18.605m spend over budget against net purchasing costs within Adult Social Care operations shown within the Care and Wellbeing line as purchasing pressures identified in 2024/25 outturn are continuing. Demand on the service continues to rise as we see increased complexity and cases transferring from health. The service is forecasting (as part of the purchasing costs) to deliver mitigations of (£12.4m) in increased income from client contributions and Continuing Healthcare joint funded packages. The service is working to mitigate the growing costs from people being

transferred from health services to the Local Authority and people that have funded care and fallen below the funding threshold.
- £14.745m spend over budget forecast on External Residential Placements shown within the Children and Young People line. We continue to see similar trends to the last financial year with an increase in number of placements including across the Disabled Children's Team where placement costs are higher due to the needs of the children and young people.

8.4. The main variances in the projected outturn position since Period 7 are:
- A continued review of third-party savings has been undertaken to confirm whether the savings projected have been realised in the relevant service areas. This review has shown that £1.785m has been delivered in other service areas such as Care & Wellbeing and Children's Social Care, which will be consolidated in their respective projected outturn with other demand changes. Therefore, the additional £2.751m of third-party savings projected against the savings target held in Corporate Budgets has now been removed.
- A net increase of £0.753m in purchasing costs in Care & Wellbeing due to new long term client placements. Also there has been an additional income billed in relation to Better Care Fund which has offset the increased cost pressure as at Q3.
- A £1.132m increase in Children & Young People relating to additional agency social worker costs in the Children Looked After Service and Case Management Teams and an increase in external residential placements during November and December.
- Additional planning income of £1.157m is now expected based on actual levels of income received and a review of all known charges due.

8.5. The Council has implemented a series of Operations Boards focussing on controlling spend within the organisation to help deliver short term financial survival. There are three Operations Boards in place:
   A. Spending Control Board – overseeing all items of expenditure processed through the Council's ERP (financial) system over £500.
   B. Workforce Review Board – overseeing all recruitment and staffing activity
   C. Technical Board – overseeing all income and grant funding

8.6. The Spend Control Board has been meeting three times a week, the Workforce Review Board and Technical Board meeting weekly/fortnightly. The benefits analysis of each of the Operations Boards is being assessed and will feed into projections shown within future monitoring reports. There are several more detailed meetings, boards or processes that sit below the Operations Boards to inform them. These include Commissioning and Procurement Boards and Adults and Children's Forums. As the Operations Board have been in operation for almost six months now, a review has been carried out to ensure that all future Operations Boards are delivering the greatest impact in terms of challenging spend across the Council. It is now proposed that responsibility for spend control is managed directly by Service Directors, and the Technical Board will now focus and review specific areas of spend across the Council to see if further efficiencies and savings can be achieved.

8.7. Emergency action is necessary to deliver reduced projected spend, increased income and greater mitigation against demand pressures, and the Leadership Board of the Council are actively pursuing options to deliver this where possible in the remaining months of the year.

9. Income

9.1. The revenue budget is funded by £478.421m of income including specific government grants and other service income. Grant values are advised in the settlement before the start of the year and are unchanged. Income through discretionary fees and charges is included in budgets for service area net spending. Appendix 2 provides analysis of the current projection of specific government grant income by service area, including any new allocations, and highlights the current delivery of income through fees and charges charged in services.

10. Savings

10.1. The summary position on savings delivery as at 31 December is that the Council anticipates delivery of 30% of targeted savings for the year. This is shown in table 4 below.

10.2. Table 4 shows the analysis of savings targeted in the year based on the origin of the savings. There are three areas of origin. These are:

- New savings approved in the 2025/26 budget (£7.721m). These are to be cashable and recurrent to avoid a savings challenge being carried forward to future years.
- Demand management initiatives approved in the 2025/26 budget (£10.989m). These represent areas of anticipated demand pressure in social care that could be addressed, thereby reducing care costs in the year. Adopting sustainable approaches to this will help ensure that budget pressures in future years are minimised or reduced.
- Savings carried forward from 2024/25 budget as they had not been delivered on an ongoing basis (£41.116m), and which were therefore required to be delivered in base budget from 2025/26 onwards.

Table 4 – Summary of savings delivery forecast at 31 December

Analysis by Savings Origin	Savings target (£'000)	31 December Forecast Delivery (£'000)	31 December Forecast Delivery %
New savings approved for 2025/26 budget	7,721	4,483	58
Demand management initiatives in the 2025/26 budget	10,989	7,890	72
Savings carried forward from 2024/25 to be delivered on an ongoing basis	41,166	5,804	14
Total	**59,876**	**18,177**	**30**

10.3. Table 4 shows that the anticipated level of delivery by year end, across all savings headings, is 30% as at 31 December. This compares with 52% secured in the last financial year. The key reason for this is twofold:

- Many of the brought forward savings from 2024/25 were transformation related and required plans to be developed in summer 2025 to reconfigure the Council around the new operating model following the implementation of a new senior leadership team from March 2025.
- New savings were identified within service areas, and the minimal amount identified (at £7.7m) reflects the fact that remaining options have been exhausted. Put another way, the easier to achieve savings have all been taken, reinforcing the need for longer-term, structural transformation to deliver the majority of the brought forward savings.

The outcome of these two factors is that delivery of the brought forward savings is now considered unachievable within the remainder of the financial year.

11. Reserves

11.1. The Council holds earmarked reserves and a general reserve referred to as the General Fund Balance (GFB). Earmarked reserves are held for a specific purpose and cannot, generally, be used to cover the impact of overspends or non-delivery of savings proposals.

11.2. The 2024/25 year ended with a General Fund Balance (GFB) of £4.825m, which was brought forward into the new year. The 2025/26 budget included a contribution of £29.455m to the GFB. The total on hand in this reserve at the beginning of the year was therefore £34.280m. This was considered a safe level given the profile of financial risks as anticipated when the budget was set by Council in February and before the final outturn position for 2024/25 was established, at a significantly deteriorated position. As the current year is progressing, maintenance of our level of GFB appears, currently, impossible and it is of great concern that the Council has minimal resilience against any unforeseen variances. This was established at Period 4 and has deteriorated further as at Period 6. The GFB would be exhausted and if projections are borne out, and the authority would be in an illegal financial position. This position is under constant review with the aim to retain a higher GFB of at least £5m before year end. This is shown in the table below, and in Appendix 5.

11.3. Considering the Council's difficult financial position, and current GFB projections, conversations continue to be held with Ministry for Housing, Communities and Local Government (MHCLG) to discuss and consider the Council's short term financial viability and potential requirements for Exceptional Financial Support (EFS). The approach is to maintain open dialogue with MHCLG, including the intention to submit a provisional EFS request, as advised by the LGA and in line with best practice for authorities facing significant financial risk. Updates on EFS discussions and any related actions will be included in future monitoring reports, to maintain transparency and oversight of the Council's financial resilience strategy.

Table 5: General Fund Balance

General Fund	£'000
Balance as at 1st April 2025	4,825

Budgeted Contribution 2025/26	29,455
Budgeted General Fund Balance as at 31st March	**34,280**
Projected overspend (central projection as at Quarter 3)	(50,745)
Estimated Balance as at 31 March 2026	**(16,465)**
Exceptional Financial Support	21,466
Potential Balance as at 31 March 2026	**5,001**

12. Capital

12.1. The current capital programme and actual spend is detailed in Table 6 below, including updated projections on financing of the programme. Further detail is provided in Appendix 6.

Table 6: Projected Capital Programme Outturn

Service Area	2025/26 Revised Capital Programme (£'000)	2025/26 Actual Spend (£'000)	2025/26 % of Budgeted Spend %	2026/27 Capital Programme (£'000)	2027/28 Capital Programme (£'000)
Care & Wellbeing	4245	202	47.59	-	-
Children & Young People	7,767	3,373	43.43	11.173	26.942
Commissioning	3,013	2,044	67.85	2,250	1,075
Communities & Customer	7,379	7,762	105.19	7,209	7,155
Enabling	8,404	5,085	60.50	19,915	4,000
Infrastructure	47,737	19,535	40.92	31,040	28,039
Legal & Governance	1,248	506	40.54	316	200
Strategy	6,131	5,081	82.88	5,800	4,000
Total	**82,103**	**43,588**	**53.09**	**77,703**	**71,410**
Housing Revenue Account	22,204	13,104	59.02	20,666	17,700
Total Capital Programme	**104,307**	**56,693**	**54.35**	**98,369**	**89,110**
Financed By*:					
Borrowing	19,103			24,618	11,433
Government Grants	64,366			54,178	47,917
Other Grants	492			12	-
Other Contributions	4,379			2,918	14,400
Revenue Contributions	1,513			374	-
Major Repairs Allowances	6,911			5,000	5,000
Capital Receipts	7,543			11,269	10,360
Total Financing	**104,307**			**98,369**	**89,110**

* Actual financing of the capital programme is determined at closedown

12.2. Capital schemes within the capital programme are not only continually monitored in terms of current year actual expenditure against budget but also in terms of scheme forecast outturn compared to budget and scheme delivery against profile. At Quarter 3 forecast outturn against budget and scheme delivery against profile for schemes in the approved capital programme are within acceptable limits.

12.3. The financing of the current capital programme assumes a level of capital receipts being realised. Capital receipts are a particular class of capital funding which can be used to support revenue costs of transformation, where the link to genuinely transformational changes lasting several years can be demonstrated. Appendix 7 summarises the current capital receipt position and highlights both opportunities to secure receipts and the risk of increased revenue costs in future years.

12.4. The capital receipt projections for 2025-26 include a significant requirement of £26.008m to fund the Council's transformational activities. This projection includes a projection of £10.863m for the Voluntary Redundancy Programme (with a further £3.468m required in 2025-26), £0.226m for compulsory redundancies, £7.844m for transformation projects and £7.075m for the Council's Strategic Transformation Partner. The capital receipts requirement of actual voluntary redundancies is updated monthly as redundancies actually occur. Compulsory redundancies expenditure of £0.226m represents actual payments to the end of November 2024. All capital receipts requirement estimates are constantly refined as further details on actual costs are determined.

13. Housing Revenue Account

13.1. At Quarter 3 (Period 9), the HRA is projecting a minor overspend of £0.846m (4% of gross budget) due to a marginal shortfall in dwellings rents due to delays in development schemes and increases in supplies and services costs. The year end projection has improved since Quarter 2 and will continue to be monitored during the remainder of the year. Further action will be taken to try to improve this position further, however any residual overspend will be financed through the HRA reserve.

14. Dedicated Schools Grant

14.1. The overall 2025-26 outturn against centrally retained DSG is forecast to be £24.524m in deficit as at the end of December 2025. It should be noted that this figure is the in-year deficit and needs to be added to the £17.566m revised deficit carried forward from 2024-25 in order to give an overall cumulative DSG deficit position of £42.089m. This figure is currently managed through a Statutory Override agreed nationally by government for DSG deficits through to March 2028.

14.2. In 2025/26, Shropshire continues to face many of the same budget pressures as other Councils, with sustained high numbers of new requests for EHCPs combined with the ongoing duties for children and young people with existing EHCPs. There are three main areas of spend over budget namely;

- an increase in "top-up" funding to mainstream schools (£6.691m),
- increases to state-funded special school funding through a recent review of top-up funding banding levels (£5.565m), and
- further growth in children and young people placed with Independent Providers (£8.671m).

With the increased funding levels to mainstream schools and state-funded special schools, the Council is striving to minimise the increase in demand in the independent sector by building capacity in our mainstream settings through investing in SEND Hubs attached to mainstream schools and increasing top-up funding to our state-funded Special Schools; Severndale School, Woodlands School and Keystone School. These strategies are proving successful as whilst spend on Independent Providers remains over budget, the rate of increase has slowed from a 64% increase during 2023/24 to a 31% increase during 2024/25 and a 27% forecast increase in 2025/26.

15. Financial Management

15.1. Financial Management of the Council's resources is undertaken in several ways including;

- Revenue and Capital strategy and budget development.
- In year financial monitoring, as set out in this report.
- Review of financial controls and processes and the internal control environment which forms part of the annual Internal Audit plan.
- External audit review
- The Council's Statement of Accounts
- Section 25 report of the S151 Officer
- Benchmarking including review of the CIPFA Financial Resilience Index
- Performance indicators including Treasury Management Indicators and other key measures.

15.2. Key indicators of financial management can be examined through the management of routine financial transactions that the Council undertakes on a day-to-day basis.

15.3. In paying suppliers, the Council has adopted a no Purchase Order, no pay process which ensure that transactions are only processed with a valid, authorised purchase order, thereby ensuring prompt payments to suppliers on receipt of invoice.

15.4. Another key indicator of financial management is the level of aged debt that the Council is managing. These indicators are tracked over the course of the financial year to monitor progress. The indicators as at Quarter 2 are detailed in Appendix 8.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Financial Strategy 2025/26 – 2029/30 – Council, 27 February 2025

Financial Monitoring Report Quarter 1 2025/26 – Cabinet, 10th September 2025

Financial Rules

Local Member:	All

Appendices

Appendix 1A – 2025/26 Detailed Projected Revenue Outturn by Service

Appendix 1B – 2025/26 Projected Revenue Outturn by Service – Movement from Period 7

Appendix 1C – 2025/26 Projected Revenue Outturn by Portfolio Holder

Appendix 2 – 2025/26 Income Projections

Appendix 3 – Delivery of 2025/26 Savings Proposals

Appendix 4 – Amendments to Original Budget 2025/26

Appendix 5 – Reserves 2025/26

Appendix 6 – Projected Capital Programme Outturn 2025/26 – 2027/28

Appendix 7 – Projected Capital Receipts

Appendix 8 – Financial Management Indicators

APPENDIX 1A

2025/26 DETAILED PROJECTED REVENUE OUTTURN BY SERVICE

Service Area	Budget £'000	YTD Actual £'000	Forecast Outturn £'000	Forecast Variance £'000	RAGY
Care & Wellbeing	134,982	143,080	151,773	16,791	R
Children & Young People	79,845	167,295	91,954	12,109	R
Commissioning	42,623	38,364	39,875	(2,748)	Y
Communities & Customer	14,757	13,797	12,607	(2,150)	Y
Corporate Budgets	(40,277)	12,247	(14,598)	25,679	R
Enabling	6,426	47,354	9,155	2,730	R
Executive Management Team	3,011	862	3,027	15	G
Infrastructure	42,484	33,641	45,174	2,690	R
Legal & Governance	4,904	5,190	2,996	(1,908)	Y
Pensions	27	2,251	27	0	G
Strategy	(199)	17,635	(146)	53	A
Total	**288,586**	**481,716**	**341,847**	**53,261**	

NOTE: Release of the financial strategy reserve (£2.516m) is not shown in the above table but assumed in the overall reported position for Period 9 as per Table 3 in the report.

Service Area Summary

A2R045: Care & Wellbeing	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget
Adult Social Care Management	942,080	697,932	556,648	-385,432	Y	• (£0.335m) capitalisation of posts
Adult Social Care Provider Services	5,151,670	6,496,997	4,521,874	-629,796	Y	• £0.226m Glenview costs previously purchase expenditure • (£0.525m) spend below budget on salaries due to vacant posts in START team and Day Services • (£0.184m) additional income Four Rivers Nursing Home • (£0.118m) spend below budget on External Provider Services
Adult Social Care Operations	126,346,680	140,847,565	144,241,122	17,894,442	R	• £18.605m spend over budget purchasing made up of: - £16.596m SPOT Gross purchasing - £8.303m Residential care due to a continued increase in the number of capital reductions coming through to the service, £5.550m increase in nursing due to complexity and Continuing Healthcare cases transferred from health to local authority, £4.109m increase in spend on Individual Service Funds due to an increase in domiciliary care at home, £0.424m increase in spend over budget in college placements, this is offset by the reduction in forecast of Children turning 18. (£1.400m) additional contribution over budget from Direct Payment and Individual Service Fund clawbacks, (£0.289m) spend under budget on forecast children turning 18. - £13.073m BLOCK Gross purchasing increase in spend over budget on supported living and supported living Individual Service Funds due to an increase in complexity of care and provider market challenges around capacity and uplifts - £1.427m Reablement increase in spend over budget, a budget virement reallocation of the Better Care Fund to address this - (£12.415m) increase income from client contributions

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						including Deferred Payment Agreement contributions and Continuing Healthcare joint funded packages and includes one off back dated contributions for 2024/25 and 2023/24. • £0.588m reduction in forecasted income against telecare charging project • (£1.205m) spend below budget on salaries due to vacant posts
Professional Development Unit	214,070	170,440	218,088	4,018	G	• Minor variance to budget as at Period 9
Care & Wellbeing Projects	-7,080	-6,326,400	-530,309	-523,229	Y	•£0.566m Care Tech Programme reserves adjustment • (£1.089m) Additional Better Care Fund income not previously billed
Enable	291,050	920,133	746,419	455,369	R	• £0.187m Savings to be identified • £0.165m reduction in fees & charges for services provided to external organisations • £0.088m spend over budget on client expenses
Service Director Care & Wellbeing	2,043,880	272,984	2,019,308	-24,572	Y	• Minor variance to budget as at Period 9
Total A2R045: Care & Wellbeing	**134,982,350**	**143,079,651**	**151,773,149**	**16,790,799**		

A2R043/A2R044: Children & Young People	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget
Shire Services	0	322,908	31,276	31,276	G	• Minor variance to budget as at Period 9

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Learning and Skills	5,096,540	94,835,872	4,591,904	-504,636	Y	• £0.088m forecast spend over budget relates to the fully-traded Schools Library Service • (£0.026m) relates to Academy conversion income from schools exceeding expenditure • (£0.039m) forecast spend under budget relates to ongoing pension compensation payments relating to former teaching staff • (£0.061m) relating to the capitalisation of a post as a one-off working on transformational projects within Learning & Skills Business Support • (£0.138m) relating to the maximisation of various external funding streams in Education Improvement Service • (£0.170m) one-off efficiencies across both staffing and non-staffing budgets within Learning & Skills Business Support. • (£0.179m) savings across the Education Access service as a result of traded income exceeding costs
Director Children's Services	213,280	323,237	213,240	-40	Y	• Minor variance to budget as at Period 9
Children's Social Care and Safeguarding	23,144,250	20,777,081	26,369,624	3,225,374	R	• £2.005m spend over budget forecast on staffing budgets across the service. The majority of this relates to Agency Social Workers covering vacancies, but in 2025/26 there is another budget pressure resulting from additional staffing implemented following the Ofsted Staff Improvement plan. £0.105m of this variance relates to Social Worker Retention Payments • £0.988m forecast spend over budget relates to Disabled Children's budget area with £0.759m of the value explained by Disabled Children's Team (DCT) prevention and Support payments, £0.278m explained by spend over budget on DCT Short Breaks Contracts. £0.048m spend under budget relates to Disabled Children's Direct Payments. • £0.416m forecast spend over budget relates to Adoption Services. There is a £0.449m spend over budget on Adoption Allowances, the remaining variance relates to the Together4Children (T4C) permanency hub where the percentage contribution from other another Local Authority has reduced in 2025/26.

						• £0.062m forecast spend over budget relates to taxi costs or other transport related costs across the Social Work teams. • (£0.246m) forecast spend under budget relates Public Law Outline Support packages which includes legal fees, and other court ordered expenditure such as medical assessments
Children's Placements	48,921,130	47,955,318	58,732,325	9,811,195	R	• £14.745m spend over budget forecast on External Residential Placements. £11.470m is an increase in External Residential Spot/Framework placements leading to an increase in expenditure in 2025/26. £2.280m relates to the Disabled Children's Team residential expenditure budget where we have had 5 new high-cost placements since January 2025. The remaining £0.995m of this £14.050m pressure relates to a shortfall in contributions from other partners towards joint funded social care led residential placements. • £0.080m spend over budget forecast on Supported Accommodation or Supported Lodgings Placements for 16-18 year olds. • (£0.493m) spend under budget against Internal Residential Children's Homes due to Devonia being temporarily closed until late 2025. • There is a credit of (£1.707m) spend under budget relating to Stepping Stones Project. The majority of this relates to a one-off capitalisation of posts, while £0.196m relates to the use of the new Children's Social Care Prevention Grant to fund Family Group Conferencing posts previously funded by base budget. • (£2.814m) forecast spend under budget relates to Fostering placements budgets (£2.598m External Fostering and £0.217m Internal Fostering). External fostering placements were anticipated to increase in 2025/26 hence growth was built into the budget, however instead numbers have decreased by 13% between 31/3/25 and 30/9/25.

Children's Early Help	1,798,890	2,629,960	1,543,652	-255,238	Y	• £0.200m forecast spend under budget on Early Help due to £0.200m additional Public Health grant contribution towards the Council's Early Help family hubs
Youth Support Services	671,350	450,183	472,084	-199,266	Y	• (£0.199m) forecast under spend against budget on Youth Support Team due to temporary vacancy management savings and maximisation of Local Youth Transformation pilot external funding
Total A2R043/A2R044: Children & Young People	**79,845,440**	**167,294,559**	**91,954,105**	**12,108,665**		

A2R042: Commissioning	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget
Adult Social Care Business Support	4,378,300	3,744,309	4,044,849	-333,451	Y	• (£0.190m) Savings on Payments to contractors • (£0.143m) savings on staff salaries
Bereavement Services	-251,020	-52,798	-299,864	-48,844	Y	• Minor variance to budget as at Period 9
Leisure	2,385,110	1,797,749	3,108,680	723,570	R	•£0.520m Shortfall on Savings Targets • £0.173m Spend above Budget on other minor works across Leisure Facilities • £0.154m Spend above budget on Contract Tender Support • £0.156m Shortfall on income resulting from the Temporary Closure Market Drayton Pool • (£0.280m) Spend below budget on Utility costs across the Leisure Estate
Waste Management	34,797,770	30,968,999	31,969,497	-2,828,273	Y	• £0.600m shortfall on Green Waste Income Target due to no price increase in 25-26 • £0.196m shortfall on PFI Grant income • (£2.624m) Contract Savings as a result of lower than budgeted inflationary increases • (£1.000m) Additional Energy Share contribution through Annual Reconciliation
Insurance	1,430	647,997	-25,810	-27,240	Y	• Minor variance to budget as at Period 9
Commissioning Development and Procurement	134,610	365,928	-66,839	-201,449	Y	• (£0.171m) Spend under budget on staff salaries • (£0.030m) Spend under budget across supplies and services budgets
Housing Development and HRA	35,550	7,245	33,637	-1,913	Y	• Minor variance to budget as at Period 9

Armed Forces Support	8,990	-5,147	7,577	-1,413	Y	• Minor variance to budget as at Period 9
Community Services	465,420	391,712	472,773	7,353	G	• Minor variance to budget as at Period 9
Quality Assurance & Independent Review Unit	474,900	378,004	479,907	5,007	G	• Minor variance to budget as at Period 9
Child Placement Service	192,100	120,410	150,729	-41,371	Y	• Minor variance to budget as at Period 9
Total A2R042: Commissioning	**42,623,160**	**38,364,408**	**39,875,137**	**-2,748,023**		

A2R048: Communities & Customer	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget
Housing Services	3,990,040	8,652,307	4,134,757	144,717	R	• £0.410m Activity higher than budget for Temporary Accommodation • £0.132m Additional compliance work required on properties for the homeless • (£0.273m) Spend under budget in relation to Salaries • (£0.125m) Spend under budget in relation to Contractor costs
Regulatory Services	1,874,400	1,817,447	1,768,160	-106,240	Y	• (£0.039m) spend under budget in relation to vacancy management • (£0.059m) savings through management charges regarding grant funded activity
Business and Consumer Protection	2,191,810	1,060,457	1,645,847	-545,963	Y	• (£0.546m) payroll savings through the Voluntary Redundancy programme and vacancy management
Ring Fenced Public Health Services 2	1,224,050	722,809	1,224,050	0	G	• No variance to budget as at Period 9
Culture, Leisure & Tourism Development	61,500	7,968	17,573	-43,927	Y	• Minor variance to budget as at Period 9
Libraries	3,282,280	2,021,442	3,112,388	-169,892	Y	• (£0.200m) Additional Public Health Substitution
Museums and Archives	1,137,940	951,532	984,076	-153,864	Y	• £0.085m Spend over budget in relation to storage & rationalisation of museum collection • (£0.235m) additional museum support grant income
Theatre Services	236,840	-3,905,781	-442,073	-678,913	Y	• (£0.679m) increased income generation across Theatre Services
Head of Culture, Leisure & Tourism	221,300	968,232	108,303	-112,997	Y	• (£0.113m) Net forecast spend under budget relating to Vacancy Management across the area
Customer Services	536,720	1,500,751	54,287	-482,433	Y	• (£0.482m) Net forecast spend under budget relating to Vacancy Management across Customer Services

Total A2R048: Communities & Customer	**14,756,880**	**13,797,167**	**12,607,368**	**-2,149,512**		

A2R029: Corporate Budgets	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget
Corporate Budgets	-40,277,000	12,246,937	-14,597,544	25,679,456	R	• £31.057m savings currently unachieved, to be reallocated across services • £3.190m pressures against interest payable relating to borrowing costs • £0.057m additional forecasted costs against external audit fees • (£0.156m) Forecast under budget across QICS PFI against the Unitary Charge • (£0.391m) Development Fund base budget assumed not required, reserves will meet expenditure requirements in-year • (£0.560m) increased income from profit share WME estimates • (£0.890m) interest receivable forecasted above budget • (£2.000m) release of gain share from contract relating to Broadband project • (£2.012m) release of funds held to cover pay award on review of estimated costs • (£2.539m) release of funds held for minimum revenue provision in relation to financing of capital investments
Total A2R029: Corporate Budgets	**-40,277,000**	**12,246,937**	**-14,597,544**	**25,679,456**		

A2R047: Enabling	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget
Corporate Landlord, Property and Development	826,210	8,219,313	3,340,195	2,513,985	R	• £2.500m Asset rationalisation savings target unachieved. • £0.500m forecast for asset rationalisation saving achieved, showing against facilities in corporate landlord.• £0.952m Shirehall unrealised saving • (£0.733m) Savings achieved - asset rationalisation • (£0.491m) Savings on Property & Development

						(Vacancy Management) •(£0.144m) additional Income relating to museum collection storage at Bishops Castle •(£0.070m) Facilities contribution to running operations of community hubs for warm spaces
Technology	373,530	8,828,326	-552,065	-925,595	Y	•£0.651m relating to savings target showing against management (being met across wider IT teams) •(£0.946m) spend under budget relating to the IT restructure which is currently being implemented as a part of rightsizing. •(£0.092m) spend under budget relating to rental costs. •(£0.094m) net savings on Hardware & Licences. •(£0.424m) capitalisation of staff working on the transformation activity
Human Resources and Organisational Development	-5,870	2,468,026	-151,070	-145,200	Y	•£0.148m income under budget relating to Service Level Agreement income. •(£0.270m) net vacancy efficiencies across the service.
Health & Safety	21,530	327,964	-86,808	-108,338	Y	•(£0.125m) spend under budget relating to Voluntary Redundancy programme and vacancy efficiencies.
Finance	2,284,490	2,669,648	1,506,040	-778,450	Y	•(£0.755m) spend under budget relating to Voluntary Redundancy programme and vacancy efficiencies.
Revenues and Benefits	2,353,970	24,150,609	4,522,728	2,168,758	R	• £1.100m relating to income not to be achieved against overpayments recovery of Housing Benefits, unrealistic when compared to last year's actuals • £1.545m unachieved savings. Savings target from previous financial year of £1m achieving £0.455m relating to anticipated cost reductions arising from improvement of in-house Temporary Accommodation provision, additional savings target in current financial year unachievable • (£0.489m) relating to spend under budget against vacancy management and Voluntary Redundancy programme.
Personal Assistants	44,180	521,960	27,584	-16,596	Y	• Minor variance to budget as at Period 9
Service Director Enabling	527,590	168,244	548,758	21,168	G	• Minor variance to budget as at Period 9

Total A2R047: Enabling	**6,425,630**	**47,354,090**	**9,155,361**	**2,729,731**		

A2R049: Executive Management Team	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget
Executive Managment Team	3,011,420	862,304	3,026,895	15,475	G	• Minor variance to budget as at Period 9
Total A2R049: Executive Management Team	**3,011,420**	**862,304**	**3,026,895**	**15,475**		

A2R046: Infrastructure	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget
Partnerships & Economic Development	1,574,720	2,944,880	1,481,370	-93,350	Y	• Minor variance to budget as at Period 9
Highways & Transport	12,093,960	6,279,602	13,338,453	1,244,493	R	• £1.335m Shortfall on Parking Income • £0.970m Shortfall of Highways staff capitalisation & Repair Gangs • £0.300m Spend over budget on Kier overheads • £0.240m Spend over budget on 'Ash Die Back' • (£1.056m) Additional Streetworks Income • (£0.358m) Spend under budget on Street Lighting • (£0.100m) Spend under budget on Street Cleaning and Grounds Maintenance. • (£0.087m) Spend under budget across the service
Shropshire Hills National Landscape	59,170	584,050	59,170	0	Y	• No variance to budget as at Period 9
Outdoor Partnerships	988,190	707,219	1,110,975	122,785	R	• £0.126m unachieved savings target
Assistant Director Infrastructure	-562,000	253,504	158,516	720,516	R	• £0.750m unachieved savings target • (£0.038m) other minor spends under budget
Highway Policy & Strategic Infrastructure	1,735,150	1,579,356	1,677,587	-57,563	Y	• Minor variance to budget as at Period 9
Public Transport	7,033,000	7,004,435	6,426,336	-606,664	Y	• (£0.397m) Additional Department for Transport grant draw down • (£0.200m) Spend under budget on concessionary travel
Care & Wellbeing Transport	1,422,420	1,127,216	1,452,249	29,829	G	• Minor variance to budget as at Period 9

Home to School Transport	18,139,660	13,160,935	19,469,158	1,329,498	R	• £1.905m Spend above budget on SEND Transport costs • (£0.575m) Spend below budget on Primary & Secondary Transport costs
Total A2R046: Infrastructure	**42,484,270**	**33,641,195**	**45,173,815**	**2,689,545**		

A2R041: Legal & Governance	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget
Registrars and Coroners	598,730	180,035	512,109	-86,621	Y	• Minor variance to budget as at Period 9
Planning Services	344,440	-3,428,781	-1,014,866	-1,359,306	Y	• (£1.080m) Additional income relating to Planning applications and a review of fees and charges. • (£0.140m) Additional income relating to a review of fees and charges on Building Regulations & Street Naming. • £0.209m Spend above budget on consultancy marketing and legal as a result of increased planning income • (£0.325m) Net vacancy efficiencies across the service.
Policy and Environment	1,904,410	1,595,714	1,750,962	-153,448	Y	• (£0.150m) Spend under budget in relation to vacancy management
Democratic Services	11,920	1,533,197	-1,704	-13,624	Y	• Minor variance to budget as at Period 9
Elections	1,290,090	1,646,961	1,089,833	-200,257	Y	• (£0.200m) forecast spend lower than budgeted across Council Elections from the current financial year
Legal Services	128,500	2,250,489	150,428	21,928	G	• Minor variance to budget as at Period 9
Policy and Governance	65,590	614,496	-103,449	-169,039	Y	• (£0.170m) spend under budget relating to vacancy management
Overview & Scrutiny	198,540	216,840	269,100	70,560	A	• Minor variance to budget as at Period 9
Feedback and Insights	11,490	445,013	-2,593	-14,083	Y	• Minor variance to budget as at Period 9
Service Director Legal & Governance (MO)	350,210	135,935	346,601	-3,609	Y	• Minor variance to budget as at Period 9
Total A2R041: Legal & Governance	**4,903,920**	**5,189,900**	**2,996,419**	**(1,907,500)**		

A2R034: Pensions	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget

Pensions	28,610	2,251,342	28,610	0	G	• No variance to budget as at Period 9
Total A2R034: Pensions	**28,610**	**2,251,342**	**28,610**	**0**		

A2R040: Strategy	Budget	YTD Actuals	Outturn	Controllable Variance	RAGY	Period 9 Narrative - variance to Budget
Ring Fenced Public Health Services	-1,207,640	9,708,739	-1,207,640	0	G	• No variance to budget as at Period 9
Adult Social Care Training	370,390	364,412	312,010	-58,380	Y	• Minor variance to budget as at Period 9
Children & Young People Learning & Development	172,380	149,481	131,015	-41,365	Y	• Minor variance to budget as at Period 9
Partnerships & Economic Development	220	-743,585	43,315	43,095	G	• Minor variance to budget as at Period 9
Emergency Planning	31,510	110,970	71,633	40,123	G	• Minor variance to budget as at Period 9
Broadband	100,610	170,391	85,187	-15,423	Y	• Minor variance to budget as at Period 9
Domestic Abuse	17,790	848,530	17,790	0	G	• No variance to budget as at Period 9
Communications	278,400	423,039	11,240	-267,160	Y	• (£0.234m) Vacancy Management efficiencies achieved • (£0.033m) Additional Public Health Grant contributions no longer applicable
Business Improvement: Data, Analysis and Intelligence	55,210	1,027,110	125,418	70,208	A	• Minor variance to budget as at Period 9
Risk Management	-24,020	68,728	-4,970	19,050	G	• Minor variance to budget as at Period 9
Commercial Services Business Development	-67,060	25,870	-20,679	46,381	G	• Minor variance to budget as at Period 9
Climate Change	-191,580	-22,183	-20,444	171,136	R	• £0.171m shortfall on Pyrolysis and solar farm Income
Programme Management	264,810	5,503,369	309,662	44,852	G	• Minor variance to budget as at Period 9
Total A2R040: Strategy	**-198,980**	**17,634,872**	**-146,461**	**52,519**		

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NOTE: Release of the financial strategy reserve (£2.516m) is not shown in the above table but assumed in the overall reported position for Period 9 as per Table 3 in the report.

APPENDIX 1B

2025/26 PROJECTED REVENUE OUTTURN BY SERVICE – MOVEMENT FROM PERIOD 7

Service Area	Forecast Outturn Variance at P7 £'000	Forecast Outturn Variance at Q3 £'000	Movement from P7 to Q3 £'000	Reason for Movement
Care & Wellbeing	16,722	16,791	69	• £0.753m increase in purchasing from Period 7 to Period 9 - £1.395m increase in gross SPOT purchasing, this is made up of £0.784m residential placements with 10 new long term client placements, £0.260m nursing placements, £0.255m increase in Individual Service Funds and £0.112m increased spend on college placements for the new academic year. -£0.596m increase in gross BLOCK expenditure, this is made up of £0.325m of supported living and £0.224m residential and nursing block placements - £0.405m increase in gross expenditure on Reablement - £0.171m increase in expenditure waiting provider selection identified but not yet on ContrOCC - (£0.540m) Additional income from client contributions and deferred payment agreements -(£1.273m) Additional income from Continuing Healthcare between P7 and P9, this includes settlement of a dispute case totalling £0.242m • (£0.092m) movement on salaries due to vacant posts in social work teams • £0.566m Care Tech Programme reserves adjustment • (£0.982m) Better Care Fund income 25/26 not previously forecasted • £0.126m reduction in fees and charges to external organisations across Enable • (£0.186m) Application of reserves to fund START Community Reablement programme
Children & Young People	10,976	12,109	1,132	• £0.816m increase in spend over budget forecast on Agency Social Work teams particularly in the CLA Service and Case Management Teams • £0.695m increase in spend over budget forecast on External Residential Placements due to a number of new placements in November and December (Period 8 and Period 9) • (£0.200m) increase in forecast spend under against budget on Early Help due to £0.200m additional Public Health grant contribution towards the Council's Early Help family hubs • (£0.116m) increase in use of external funding in the Education Improvement Service
Commissioning	(2,707)	(2,748)	(41)	• Minor variance from Period 7 to Period 9
Communities & Customer	(2,385)	(2,150)	236	• £0.500m adverse movement due to transfer of Public Health substitutions. This is an internal movement within the Corporate Budgets, In P6 500K was drawn down from public health reserves to support transformation activity to a single cost centre in Customer and Communities to be allocated to the appropriate costs centres in P9 following due diligence in terms of spend in line with the terms of the grant. This took place in P9 and accounts for the adjustment to Libraries £0.200m (in this area), Communications £0.100m (in this area), Family hubs £0.200m (in Children & Young People)
Corporate Budgets	23,357	25,679	2,323	• £2.751m removal of savings forecast which are being met through other service areas

				• (£0.391m) Development Fund base budget assumed not required, reserves will meet expenditure requirements in-year
Enabling	2,682	2,730	47	• £0.480m revised projections based on the mid-year subsidy claim have identified a lower than forecasted savings arising from homelessness subsidy claims. •(£0.233m) corrections to forecasting relating to building rental contracts •(£0.094m) net savings on Hardware & Licences. •(£0.070m) Facilities contribution from a grant to running operations of community hubs for warm spaces
Executive Management Team	13	15	2	• Minor variance from Period 7 to Period 9
Infrastructure	2,668	2,690	22	• Additional Spend under budget on Streetlighting • unachieved savings target
Legal & Governance	(751)	(1,908)	(1,157)	• (£1.080m) Additional income relating to Planning applications and a review of fees and charges • (£0.065m) Additional income relating to a review of fees and charges on Building Regulations
Pensions	-	0	-	• No variance from Period 7 to Period 9
Strategy	170	53	(117)	• Public Health substitutions increased by £0.100m in Period 9
GRAND TOTAL:	**50,745,586**	**53,261,156**	**2,515,570**	

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NOTE: Release of the financial strategy reserve (£2.516m) is not shown in the above table but assumed in the overall reported position for Period 9 as per Table 3 in the report.

APPENDIX 1C

2025/26 PROJECTED REVENUE OUTTURN BY PORTFOLIO HOLDER

Portfolio Holder	Revised Budget £'000	YTD Actual £'000	Forecast Outturn £'000	Forecast Variance £'000	RAGY
Portfolio Holder Social Care	214,351	217,938	243,788	29,436	R
Portfolio Holder Transport & Economic Growth	1,484	2,350	1,589	105	R
Deputy Leader and Portfolio Holder Communities	1,751	7,877	847	(904)	Y
Portfolio Holder Children & Education	23,622	108,470	24,405	783	R
Portfolio Holder Finance	(33,234)	66,285	(5,107)	28,126	R
Portfolio Holder Housing & Leisure	12,407	11,796	12,244	(163)	Y
Portfolio Holder Health	6,247	16,915	5,204	(1,043)	Y
Portfolio Holder Highways & Environment	55,098	46,077	53,562	(1,536)	Y
Leader of the Council	4,610	5,842	4,579	(32)	Y
Portfolio Holder Planning	2,249	(1,833)	736	(1,513)	Y
Council Total	**288,586**	**481,716**	**341,847**	**53,261**	

NOTE: Release of the financial strategy reserve (£2.516m) is not shown in the above table but assumed in the overall reported position for Period 9 as per Table 3 in the report.

APPENDIX 2

2025/26 INCOME PROJECTIONS

Specific Government Grants

The original revenue budget for 2025/26 included specific Government Grants of £324.274m. The majority of these budgets will be based on known allocations that the Government has announced for Shropshire Council. During the year, however, the Council will also bid for additional grant funding to support activities. This table tracks the overall position as it emerges.

Government Grants	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Care & Wellbeing			
Market Sustainability and Fair Cost Fund	(6,098)	(6,098)	0
Improved Better Care Fund	(1,786)	(1,786)	0
Other Grants	(755)	(754)	1
Total Care & Wellbeing	**(8,639)**	**(8,638)**	**1**
Children & Young People			
Dedicated Schools Grant	(146,880)	(146,880)	0
Pupil Premium Grant	(6,177)	(6,177)	0
Unaccompanied Asylum Seeking Children Grant	(3,608)	(2,986)	622
Children's and Families Grant	(1,831)	(1,251)	580
Other Grants	(911)	(1,756)	(845)
Total Children & Young People	**(159,407)**	**(159,050)**	**357**
Commissioning			
Extended Produced Responsibility Grant	(5,578)	(5,578)	0
SWP PFI	(3,186)	(2,988)	198
Other Grants	(181)	(358)	(177)
Total Commissioning	**(8,945)**	**(8,924)**	**21**
Communities & Customer			
Homeless Prevention Grant	(1,542)	(1,805)	(263)
Other Grants	(1,281)	(3,391)	(2,110)
Total Communities & Customer	**(2,823)**	**(5,196)**	**(2,373)**
Corporate Budgets			
Social Care Support Grant	(32,675)	(32,675)	0
Business Rate Retention Scheme – s31 Grant	(21,170)	(21,170)	0
Improved Better Care Fund	(12,668)	(12,668)	0
Household Support Fund	(3,760)	(3,760)	0
Employers NICs	(2,504)	(2,504)	0
New Homes Bonus	(2,034)	(2,034)	0
Other Grants	(1,523)	(1,523)	0
Total Corporate Budgets	**76,334**	**76,334**	**0**
Enabling			
Mandatory Rent Allowances: Subsidy	(38,000)	(38,000)	0
Rent Rebates: Subsidy	(8,100)	(8,100)	0
Other Grants	(1,064)	(1,197)	(133)
Total Enabling	**(47,164)**	**(47,297)**	**(133)**

Government Grants	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Executive Management Team			
Other Grants	0	(1)	(1)
Total Executive Management Team	**0**	**(1)**	**(1)**
Infrastructure			
UK Shared Prosperity Fund	(2,893)	(3,079)	(186)
Bus Service Improvement Plan Plus	(161)	(2,917)	(2,756)
Other Grants	(1,631)	(2,035)	(404)
Total Infrastructure	**(4,685)**	**(8,031)**	**(3,346)**
Legal, Governance & Planning			
Other Grants	(103)	(87)	16
Total Legal, Governance & Planning	**(103)**	**(87)**	**16**
Strategy			
Public Health Grant	(14,410)	(14,410)	0
Other Grants	(2,851)	(3,032)	(181)
Total Strategy	**(17,261)**	**(17,442)**	**(181)**
Total	**(325,361)**	**(331,000)**	**(5,639)**

Income from Fees and Charges

The forecast income from discretionary sales, fees and charges is generally on budget however there are variances in some services, with additional income generated within Theatre Services, streetwork charges and income relating to the Severn Valley Water Management Scheme. This has been offset by a pressure in Corporate budgets relating to a saving target for increases in Fees and Charges Income.

Fees and Charges Income	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Care & Wellbeing	(4,056)	(3,942)	114
Children & Young People	(6,737)	(6,651)	86
Commissioning	(6,713)	(6,184)	529
Communities & Customer	(8,174)	(9,946)	(1,772)
Corporate	(3,849)	0	3,849
Enabling	(5,097)	(4,590)	507
Infrastructure	(10,485)	(11,749)	(1,264)
Legal & Governance	(2,355)	(2,879)	(524)
Pensions	(21)	(21)	0
Strategy	(247)	(1,761)	(1,514)
Total	**47,734**	**47,723**	**11**

APPENDIX 3

DELIVERY OF 2025/26 SAVINGS PROPOSALS

3.1 Summary

The savings projections for 2025/26 are being tracked monthly with savings delivery being mapped against projected delivery during the course of the year.

The table below summarises the position as at 31st December 2025.

Savings Target	Delivered	Projected Delivery	Indicative Plans	Delivery to be Confirmed
£59,876,040	£15,707,829	£18,176,974	£0	£41,699,067
	% Delivered	% Projected Delivery	% Indicative Plans	% Delivery to be Confirmed
	26.23%	30.36%	0.00%	69.64%

Despite projected delivery being in place for over 30% of the savings identified as at Period 9, several of these may be being achieved through one off means, rather than an ongoing basis. The MTFS for future years sets out removal of some of these unachieved savings with new financial year savings plans to be progressed to ensure that savings proposals can be delivered on an ongoing basis in order to eliminate any future savings pressures.

Details by individual savings are below.

Individual Savings List 25/26

Savings Name	Savings Target	Delivered to Date (One-off)	Delivered to Date (Ongoing)	Delivered to Date Total	Projected Delivery (One-off)	Projected Delivery (Ongoing)	Projected Delivery Total	Indicative Plans in Place	Delivery to be Confirmed
EFF45 - Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).	£1,790,350	£1,790,350	£0	£1,790,350	£1,790,350	£0	£1,790,350	£0	-£0
EFF81 - New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement).	£645,220	£468,760	£176,460	£645,220	£468,760	£176,460	£645,220	£0	£0
EFF83 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Legal and Democratic).	£57,330	£57,330	£0	£57,330	£57,330	£0	£57,330	£0	£0
EFF84 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Finance and IT).	£20,740	£20,740	£0	£20,740	£20,740	£0	£20,740	£0	-£0
MD001 - Further increase funding of public health reserves to support preventative initiatives at the children's, adults and customer front-door (earliest point of contact). Was included in the 2024/25 budget for one year only and is shown here as being removed.	-£200,000	£0	-£200,000	-£200,000	£0	-£200,000	-£200,000	£0	-£0
MD012 - Supported living - Reduce the need for 24 hour provision and increase independence through alternative resources such as technology	£873,190	£0	£345,794	£345,794	£0	£345,794	£345,794	£0	£527,396
MD016 - ASC - nighttime care and support service enabling people to stay at home	£520,000	£0	£0	£0	£250,000	£0	£250,000	£0	£270,000
MD019 - The council would need to encourage more people to foster across the county	£1,375,000	£0	£1,410,018	£1,410,018	£0	£1,415,064	£1,415,064	£0	-£40,064
MD020 - Stepping Stones	£3,758,000	£0	£2,237,445	£2,237,445	£0	£2,717,029	£2,717,029	£0	£1,040,971
MD021 - Increase in income from care contributions	£1,000,000	£0	£583,333	£583,333	£0	£1,000,000	£1,000,000	£0	£0
MD022 - Increase in in-house provider charges	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0
MD023 - Partnership working CHC and 117	£650,000	£0	£650,000	£650,000	£0	£650,000	£650,000	£0	-£0
MD026 - Shared lives cost avoidance delivered through increase in capacity	£300,000	£0	£111,090	£111,090	£0	£111,088	£111,088	£0	£188,912
MD027 - Supporting independence through Reviews (including LDSL/DPs and Tech etc)	£1,610,000	£0	£1,610,000	£1,610,000	£0	£1,610,000	£1,610,000	£0	£0
MD028 - Fee uplift review	£1,500,000	£0	£0	£0	£0	£0	£0	£0	£1,500,000
MD029 - ASC contracts and performance management	£600,000	£0	£600,000	£600,000	£0	£600,000	£600,000	£0	£0
MD030 - Home to school transport - academic days	£178,900	£0	£178,900	£178,900	£0	£178,900	£178,900	£0	-£0
NI003 - ASC Telecare	£500,000	£0	£0	£0	£400,000	£0	£400,000	£0	£100,000
NI004 - Expand the Handy Person service to a wider range of customers, including fee payers, supporting independent living	£10,000	£0	£0	£0	£0	£10,000	£10,000	£0	-£0
NI006 - Increase income from Museums and Archives services	£100,000	£81,440	£18,560	£100,000	£81,440	£18,560	£100,000	£0	£0
NI007 - Increase income from an enhanced memorial and ceremony offer at Council sites	£10,000	£0	£10,000	£10,000	£0	£10,000	£10,000	£0	-£0
NI008 - Increase income from an improved range of wedding and partnership ceremony packages	£2,000	£0	£2,000	£2,000	£0	£2,000	£2,000	£0	£0
PPR0 - Rightsizing	£11,723,400	£0	£0	£0	£0	£0	£0	£0	£11,723,400
PRF&C0 - Income	£3,848,740	£0	£0	£0	£0	£0	£0	£0	£3,848,740
PRR1 - Legal & Governance Resizing	£100,000	£0	£0	£0	£0	£34,680	£34,680	£0	£65,320
PRR2 - Enabling Resizing	£1,256,000	£0	£0	£0	£0	£0	£0	£0	£1,256,000
PRR4 - Children's Rightsizing	£2,000,000	£0	£0	£0	£0	£0	£0	£0	£2,000,000
PRR5 - Infrastructure Resizing	£850,000	£0	£0	£0	£0	£0	£0	£0	£850,000
PRR6 - Care & Wellbeing Rightsizing	£1,300,000	£0	£0	£0	£0	£0	£0	£0	£1,300,000
PRTPS0 - Third Party	£12,991,240	£0	£1,785,449	£1,785,449	£0	£1,785,449	£1,785,449	£0	£11,205,791
RC003 - Further increase allocation of the public health grant to support preventative initiatives at the children's, adults and customer front-door.	£70,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£0	£0
RC004 - Capitalisation of reserves as one off for staff and projects relating to transformation work to further increase funding of public health reserves to support preventative initiatives. This is for 2024/25, in addition to 1,000,000 in 23/24. This is being removed in 2025/26.	-£1,000,000	£0	-£1,000,000	-£1,000,000	£0	-£1,000,000	-£1,000,000	£0	£0
RC011/19 - Review and right size business support function	£312,500	£0	£312,500	£312,500	£0	£312,500	£312,500	£0	£0
RC016 - Agency Staff - reducing use of agency staff; promote permanent staffing.	£85,000	£0	£0	£0	£0	£0	£0	£0	£85,000
RC025 - Review and resize the Housing Services team	£64,000	£64,000	£0	£64,000	£64,000	£0	£64,000	£0	£0
RC026 - Review and potential reduction of some leisure provision to achieve cost reductions.	£100,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£0	£30,000
RC029 - Review staffing and resize the Rights of Way team	£6,460	£0	£6,460	£6,460	£0	£6,460	£6,460	£0	-£0
RC030 - Review staffing and resize the Outdoor Partnerships team	£13,840	£0	£13,840	£13,840	£0	£13,840	£13,840	£0	-£0
RC032 - Review Library Services to ensure maximum efficiencies including funding reviews and reshaping/reductions of services	£220,540	£49,340	£151,200	£200,540	£49,340	£151,200	£200,540	£0	£20,000
RC040 - Dispose of Shirehall quicker and relocate services	£1,300,000	£0	£1,005,540	£1,005,540	£0	£1,005,540	£1,005,540	£0	£294,460
RC074 - Anticipated cost reductions in Revenues & Benefits arising from improvement of in-house Temporary Accommodation provision.	£1,000,000	£0	£0	£0	£0	£455,860	£455,860	£0	£544,140
RC078 - New model for future delivery of the Council's Out of Hours calls triage and Shrewsbury Town Centre CCTV monitoring	£47,310	£0	£30,000	£30,000	£17,310	£30,000	£47,310	£0	£0
RC083 - Review and secure cost reductions in the pooled training budget	£17,270	£0	£17,270	£17,270	£0	£17,270	£17,270	£0	£0
RC087 - DSG funding of SEND pressures	£500,000	£0	£500,000	£500,000	£0	£500,000	£500,000	£0	-£0
RC088 - Increased charges for car parking in Shrewsbury and Ludlow but retaining Park and Ride Services.	£250,000	£0	£250,000	£250,000	£0	£250,000	£250,000	£0	-£0
RC089 - Increased charges for car parking across the County.	£500,000	£0	£0	£0	£0	£0	£0	£0	£500,000
RC090 - Residents' only parking will be enforced for an annual residents fee.	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000
RC091 - More fixed penalties issued for dog fouling, littering and illegal parking.	£300,000	£0	£0	£0	£0	£0	£0	£0	£300,000
RC092 - Large scale switch off of street lights to reduce energy costs and carbon emissions.	£150,000	£0	£226,000	£226,000	£0	£226,000	£226,000	£0	-£76,000

RC094 - Waste contract efficiencies across the waste service including review of garden waste collection costs and HRC opening times to be delivered through negotiated changes to the contract.	£987,000	£0	£387,000	£387,000	£0	£387,000	£387,000	£0	£600,000
RC096 - Asking other organisations (commercial companies) to manage our leisure centres for us.	£200,000	£0	£0	£0	£0	£0	£0	£0	£200,000
RC097 - Management of green spaces and areas of outstanding natural beauty will be passed to town or parish councils, where they choose to take that on.	£200,000	£0	£200,000	£200,000	£0	£200,000	£200,000	£0	£0
SC002 - Review education transport arrangements - changes to policy and delivery models (mainstream and SEND)	£400,000	£0	£0	£0	£0	£400,000	£400,000	£0	£0
SC008 - Review staffing and resize the Empty Homes service	£47,010	£0	£47,010	£47,010	£0	£47,010	£47,010	£0	£0
SC013 - Rationalise property and buildings to secure revenue savings (e.g. utilities, security, repairs and maintenance etc). Use reductions to secure additional capital receipts.	£3,000,000	£0	£500,000	£500,000	£0	£500,000	£500,000	£0	£2,500,000
TO001 - Explore shared emergency planning resource and resilience with partners.	£15,000	£0	£0	£0	£0	£0	£0	£0	£15,000
TO002 - Review the use of the UK Shared Prosperity Fund (UKSPF) to maximise grant funding	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0
TO004 - Review funding arrangements and contributions from external sources to higher cost placements	£500,000	£0	£500,000	£500,000	£0	£500,000	£500,000	£0	-£0
TO009 - Review service synergies to secure cost reductions across Highways, Maintenance, and Outdoors services.	£1,000,000	£0	£250,000	£250,000	£0	£250,000	£250,000	£0	£750,000
Total	**£59,876,040**	**£2,531,960**	**£13,175,869**	**£15,707,829**	**£3,199,270**	**£14,977,704**	**£18,176,974**	**£0**	**£41,699,067**

	Total	Care & Wellbeing	Children & Young People	Commissioning	Communities & Customer	Corporate	Enabling	Executive Management Team	Infrastructure	Legal & Governance	Pensions	Strategy
Quarter 2 Revised Budget (as a result of Wholescale Council Restructure implemented July 2025)	**288,586**	**136,184**	**90,785**	**42,646**	**16,678**	**(59,544)**	**6,580**	**5,160**	**43,737**	**5,847**	**228**	**285**
Quarter 3 Virements:												
Reallocate budget for 25/26 MRP Interest Charge	0			646		(873)	226					1
25/26 Pay Award Adjustment	0	144	179	44	110	(811)	141		65	78	11	39
Quarter 3 Structure Changes:												
Service Director Care & Wellbeing	0	2,100						(2,100)				
Quarter 3 Revised Budget	**288,586**	**138,428**	**90,964**	**43,336**	**16,788**	**(61,228)**	**6,947**	**3,060**	**43,802**	**5,925**	**239**	**325**

APPENDIX 5

RESERVES 2025/26

General Fund

The general fund reserve at 31st March 2025 stood at £4.825m, significantly below its optimum desired balance.

The 2025/26 budget strategy included a contribution of £29.455m to the General Fund balance which would then reach £34.280m, which is a safer level given the current profile of financial risks.

It is essential that the council maintains the General Fund Balance as assumed within the medium term financial strategy, otherwise it would limit the ability of the council to mitigate any further unforeseen shocks such as ongoing inflationary increases, climate events such as flooding and drought, or rapid reductions in available resources due to changed national policy.

Independent advice is that general fund un-earmarked reserves should equate to 5%-10% of net spending (or 2%-4% of gross revenue).

In the Adequacy of Reserves assessment within the Financial Strategy approved by Council in February 2025, the Council identified potential high risk areas that the General Fund may need to contribute to in 2025/26. £9m of this related to Social Care, and the current P2 position has highlighted a projected pressure in this area, therefore it is anticipated that this will need to be released. Also £11.5m was earmarked for potential non delivery of savings based on historical levels of non-achievement. Given the projected position on savings, this balance is anticipated to be required for 2025/26.

The Council is looking to retain a balance of £5m as at the year end, therefore the Financial Strategy Reserve will be the first call should the outturn position deteriorate further between Q3 and the year end.

General Fund	£'000
Balance as at 1st April 2025	4,825
Budgeted Contribution in 2025/26	29,455
Budgeted General Fund Balance as at 31st March 2026	**34,280**
Projected overspend (central projection as at Quarter 3)	(50,745)
Estimated Balance as at 31 March 2026	**(16,465)**
Exceptional Financial Support	21,466
Potential Balance as at 31 March 2026	**5,001**

Earmarked Reserves

The council held balances of £25.455m (excluding school balances) in earmarked reserves as at 1st April 2025. There are several transactions planned from earmarked reserves during the course of the year. The current projections for the year-end balance in earmarked reserves is detailed in the table below.

Earmarked Reserves	1st April 2025 £'000	Forecast Net Contribution to/from Reserve £'000	31st March 2026 £'000
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations	4,904	(1,070)	3,834
Insurance reserves	1,450	(233)	1,217
Reserves of trading and business units	0	0	0
Reserves retained for service departmental use	10,844	(258)	10,586
Reserves held for schools	8,257	0	8,257
Total	**25,455**	**(1,561)**	**23,894**

APPENDIX 6

PROJECTED CAPITAL PROGRAMME OUTTURN 2025/26 – 2027/28

The capital budget for 2025/26 is continuously being monitored and changed to reflect the nature of capital projects which can be profiled for delivery over several years. In Quarter 3 the capital budget for 2025/26 was subjected to a detailed review of the position of all projects and reprofiling where required into future years and this will continue in Quarter 4. In Quarter 3 there has been a net budget decrease of £15.592m for 2025/26, compared to position reported at Quarter 2 2025-26. The budget decrease is due to reprofiling of -£20.254m and virements of £4.662m.

Budget virements actioned in Quarter 3 totalled £4.662m as result of grant award notifications and scheme budget approvals. These virements are detailed below by service area.

- Commissioning £1.197m: budget agreed for Bishops Castle SpArc Leisure Pool Tank Replacement Scheme £1.100m and various leisure schemes £0.097m
- Communities & Customer £0.210m: DFG allocation of grant repayments totalling £0.378m following approval by Council in Quarter 1 2025/26 to ringfence these capital receipts, reduction of HUG 2 budget allocation to reflect the closedown statement -£0.165m, various miscellaneous budget reductions -£0.010m and additional Private Sector Contributions totalling £0.007m to fund the acquisition of Museum Heritage Assets.
- Infrastructure £2.703m: primarily as a result of DEFRA Farming in Protected Landscapes grant award £0.770m, UKSPF Parks & Countryside grant award £0.249m, NWRR £0.269m, SEND High Needs vehicles £0.267m, Broadband budget no longer required -£0.487m, S106 funded road safety scheme £0.362m, Flood Defence & Water Management schemes £1.600m and budget no longer required for the OZEV Onstreet Residential Charging Scheme – Phase 2 £-0.379m.
- Strategy £0.050m in relation to Shrewsbury BID grant funded through capital receipts.
- Enabling £0.035m: various Corporate Landlord scheme budget virements to reflect delivery.
- Legal & Governance £0.752m: £0.004m budget increase to reflect grant expenditure, S106 Developer Contributions of £0.703m to the Affordable Housing Contributions Grant scheme, CIL approved project funding of £0.045m.
- Children & Young People -£0.526m: removal of remaining budget allocation for the completed Children's Homes Phase 1 Scheme -£0.195m, various SEN High Needs schemes -£0.267m, various schools Energy Efficiency Improvement Grant schemes -£0.018m, various schools Devolved Formula Capital Grant schemes -£0.046m.
- HRA £0.303m: LAHF -£0.012m, House purchases £0.315m

Capital schemes within the approved Capital Programme were also reprofiled during Quarter 3 to reflect the anticipated delivery of schemes. Total reprofiling of -£20.254m into future years was undertaken and is summarised below by service area.

- Within Commissioning, the Swimming in Shropshire and Bishops Castle SpArc Pool Tank Replacement scheme budgets were reprofiled into future years by -£0.200m and -£0.600m respectively.
- Within Infrastructure, budget reprofiling totalling -£6.128m was undertaken as detailed below:
  - National Landscapes & Outdoor Partnerships scheme -£0.003m
  - S106 funded Local Road Safety schemes -£0.300m
  - Rights of Way schemes £0.085m
  - Structural Maintenance of Principal Roads -£1.178m
  - Structural Maintenance of Secondary Roads -£0.100m
  - Integrated Transport Plan schemes -£1.601m
  - LEP schemes -£0.140m
  - Flood Defences & Water Management schemes -£0.621m
  - Bus Grant Award -£1.000m
  - Broadband schemes -£1.100m
- Within Strategy, budget reprofiling totalling -£3.500m was undertaken: Oswestry HIF Fund -£3.000m and Pride Hill Shopping Centre Reconfiguration -£0.500m.
- Within Enabling, budget reprofiling totalling -£7.589m was undertaken: Smithfield / Riverside Development -£6.000m, Corporate Asset Maintenance & Suitability Programme schemes -£0.400m, Corporate Investment Programme -£0.994m (primarily the Maesbury Solar Farm scheme -£1.000m) and Travellers Transit scheme -£0.195m.
- In Legal & Governance, budget reprofiling of Affordable Housing schemes totalling -£0.166m was undertaken.
- In Children & Young People, budget profiling totalling -£2.072m was undertaken: Unallocated Schools grants -£0.130m, School Future Place Planning Phase 2 -£1.442m and Schools Devolved Formula Capital schemes -£0.500m.

The tables below summarise the overall movement, between that already approved and changes for Quarter 3.

Shropshire Council - Capital Programme 2025/26 - 2027/28
Capital Programme Summary - Quarter 3 2025/26

Service Area	Revised Budget Quarter 2 £	Budget Virements Quarter 3 £	Revised Budget Quarter 3 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2026/27 Revised Budget £	2027/28 Revised Budget £	2028/29 Revised Budget £
General Fund											
Care & Wellbeing Capital	416,510	8,252	424,762	202,135	222,627	47.59%	424,762	0	0	0	0
Children & Young People & Children's Social Care (CSC)	10,364,287	(2,597,560)	7,766,727	3,373,376	4,393,351	43.43%	7,766,727	0	11,173,053	26,941,500	2,500,000
Commissioning Capital	2,616,305	397,088	3,013,393	2,044,484	968,909	67.85%	3,013,393	0	2,250,000	1,075,000	0
Communities & Customer Capital	7,168,676	210,446	7,379,122	7,762,438	-383,316	105.19%	7,379,122	0	7,209,483	7,154,651	0
Enabling Capital	15,997,744	(7,593,656)	8,404,088	5,084,820	3,319,268	60.50%	8,404,088	0	19,914,590	4,000,000	1,500,000
Infrastructure Capital	51,162,718	(3,425,502)	47,737,216	19,534,753	28,202,463	40.92%	47,737,216	0	31,040,492	28,038,921	0
Legal & Governance Capital	661,138	586,418	1,247,556	505,757	741,799	40.54%	1,247,556	0	315,613	200,346	0
Strategy Capital	9,610,565	(3,480,000)	6,130,565	5,080,729	1,049,836	82.88%	6,130,565	0	5,800,000	4,000,000	0
Total General Fund	**97,997,943**	**(15,894,514)**	**82,103,429**	**43,588,491**	**38,514,938**	**53.09%**	**82,103,429**	**0**	**77,703,231**	**71,410,418**	**4,000,000**
Housing Revenue Account	21,901,048	302,874	22,203,922	13,104,398	9,099,524	59.02%	22,203,922	0	20,666,079	17,700,001	10,700,001
Total Approved Budget	**119,898,991**	**(15,591,640)**	**104,307,351**	**56,692,889**	**47,614,462**	**54.35%**	**104,307,351**	**0**	**98,369,310**	**89,110,419**	**14,700,001**

The actual capital expenditure at Quarter 3 is £56.693m, which represents 54.35% of the revised capital budget at Quarter 3, 75% of the year. This is low in comparison to the total revised budget, however, as previously noted, further budget reprofiling will be undertaken in Quarter 4, and this, alongside significant expenditure anticipated to be incurred in Quarter 4, will increase the percentage of actual capital expenditure compared to the revised capital budget. All budgets are fully allocated to projects and will be monitored for levels of spend throughout the remainder of the year. Based on recent years, the capital programme has out turned at around 85% of the outturn budget, which on average has been around 20% lower than the budget at this point in the year, due to further re-profiling later in the year.

The level of spend is slightly low across the programme in some areas, but equal to the level of spend in the previous year at this period. In terms of the major areas the spend position is as follows: Care & Wellbeing 47.59% (budget £0.425m), Children & Young People & Children's Social Care (CSC) 43.43% (budget £7.767m), Commissioning 67.85% (budget £3.013m), Communities & Customer 105.19% (budget £7.379m), Enabling 60.50% (budget £8.404m), Infrastructure 40.92% (budget £47.737m), Legal & Governance 40.54% (budget £1.247m), Strategy 82.88% (budget £6.131m) and HRA Major Repairs & New Build Programme 59.02% (budget £22.204m).

Shropshire Council - Capital Budget Monitoring Report Quarter 3 2025/26

Service Area	Revised Budget Quarter 2 £	Budget Virements Quarter 3 £	Revised Budget Quarter 3 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2026/27 Revised Budget £	2027/28 Revised Budget £	2028/29 Revised Budget £
General Fund											
Care & Wellbeing	**416,510**	**8,252**	**424,762**	**202,135**	**222,627**	**47.59%**	**424,762**	**0**	**0**	**0**	**0**
Adult Social Care Operations Capital	416,510	8,252	424,762	202,135	222,627	47.59%	424,762	0	0	0	0
Children & Young People & Children's Social Care (CSC)	**10,364,287**	**-2,597,560**	**7,766,727**	**3,373,376**	**4,393,351**	**43.43%**	**7,766,727**	**0**	**11,173,053**	**26,941,500**	**2,500,000**
Children's Residential Care Capital	240,428	-195,188	45,240	2,417	42,823	5.34%	45,240	0	0	0	0
Non Maintained Schools Capital	3,109,911	75,755	3,185,666	1,158,745	2,026,921	36.37%	3,185,666	0	5,708,270	18,615,000	2,500,000
Primary School Capital	3,470,965	-95,324	3,375,641	1,729,857	1,645,784	51.25%	3,375,641	0	292,000	5,450,000	0
Primary School Managed Capital	1,251,160	-48,700	1,202,460	420,364	782,096	34.96%	1,202,460	0	0	0	0
Secondary School Capital	782	0	782	0	782	0.00%	782	0	0	0	0
Secondary School Managed Capital	58,236	0	58,236	0	58,236	0.00%	58,236	0	0	0	0
Shropshire Music Service Capital	105,727	0	105,727	34,831	70,896	32.94%	105,727	0	11,748	0	0
Special Schools Capital	23,281	0	23,281	20,251	3,030	86.98%	23,281	0	0	0	0
Special Schools Managed Capital	8,354	0	8,354	6,911	1,443	82.73%	8,354	0	0	0	0
Unallocated School Capital	2,095,443	-2,334,103	-238,660	0	-238,660	0.00%	-238,660	0	5,161,035	2,876,500	0
Commissioning	**2,616,305**	**397,088**	**3,013,393**	**2,044,484**	**968,909**	**67.85%**	**3,013,393**	**0**	**2,250,000**	**1,075,000**	**0**
Leisure Capital	2,616,305	397,088	3,013,393	2,044,484	968,909	67.85%	3,013,393	0	2,250,000	750,000	0
Waste Capital	0	0	0	0	0	0.00%	0	0	0	325,000	0
Communities & Customer	**7,168,676**	**210,446**	**7,379,122**	**7,762,438**	**-383,316**	**105.19%**	**7,379,122**	**0**	**7,209,483**	**7,154,651**	**0**
Community Hubs & Libraries Capital	279,189	0	279,189	214,895	64,294	76.97%	279,189	0	0	0	0
Housing Services Capital	6,886,791	203,446	7,090,237	7,534,065	-443,828	106.26%	7,090,237	0	7,209,483	7,154,651	0
Museums & Archives Capital	2,696	7,000	9,696	13,478	-3,782	139.00%	9,696	0	0	0	0
Theatre Services Capital	0	0	0	0	0	0.00%	0	0	0	0	0
Enabling	**15,997,744**	**-7,593,656**	**8,404,088**	**5,084,820**	**3,319,268**	**60.50%**	**8,404,088**	**0**	**19,914,590**	**4,000,000**	**1,500,000**
ICT Infrastructure Capital	0	0	0	0	0	0.00%	0	0	0	0	0
Property & Asset Capital	15,997,744	-7,593,656	8,404,088	5,084,820	3,319,268	60.50%	8,404,088	0	19,914,590	4,000,000	1,500,000

Service Area	Revised Budget Quarter 2 £	Budget Virements Quarter 3 £	Revised Budget Quarter 3 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	Outturn Projection £	Outturn Projection Variance £	2026/27 Revised Budget £	2027/28 Revised Budget £	2028/29 Revised Budget £
Infrastructure	**51,162,718**	**-3,425,502**	**47,737,216**	**19,534,753**	**28,202,463**	**40.92%**	**47,737,216**	**0**	**31,040,492**	**28,038,921**	**0**
Broadband Capital	3,197,810	-1,587,184	1,610,626	1,004,536	606,090	62.37%	1,610,626	0	1,600,000	501,921	0
Environment and Transport (Public Transport) Capital	1,398,474	-733,150	665,324	50,000	615,324	7.52%	665,324	0	1,000,000	0	0
Highways - Central Area Division Capital	265,000	0	265,000	1,987	263,013	0.75%	265,000	0	0	0	0
Highways - Flood Defence & Water Management Capital	2,457,419	1,004,489	3,461,908	1,016,816	2,445,092	29.37%	3,461,908	0	1,854,718	0	0
Highways - Integrated Transport Capital	7,163,031	-2,056,678	5,106,353	941,158	4,165,195	18.43%	5,106,353	0	3,678,626	1,638,000	0
Highways - North West Relief Road (NWRR)	0	269,477	269,477	539,077	-269,600	200.05%	269,477	0	0	0	0
Highways - Northern Area Division Capital	265,000	0	265,000	29,891	235,109	11.28%	265,000	0	0	0	0
Highways - Oxon Relief Road (OLR)	0	0	0	0	0	0.00%	0	0	1,127,973	5,000,000	0
Highways - Southern Area Division Capital	365,000	0	365,000	37,964	327,036	10.40%	365,000	0	0	0	0
Highways - Street Lighting Capital	1,130,000	0	1,130,000	670,256	459,744	59.31%	1,130,000	0	0	0	0
Highways - Structural Maintenance of Bridges Capital	2,673,985	0	2,673,985	212,193	2,461,792	7.94%	2,673,985	0	0	0	0
Highways - Structural Maintenance of Roads Capital	31,276,533	-1,278,598	29,997,935	14,501,796	15,496,139	48.34%	29,997,935	0	21,691,297	20,899,000	0
National Landscapes and Outdoor Partnerships Capital	970,466	956,142	1,926,608	529,079	1,397,529	27.46%	1,926,608	0	87,878	0	0
Legal & Governance	**661,138**	**586,418**	**1,247,556**	**505,757**	**741,799**	**40.54%**	**1,247,556**	**0**	**315,613**	**200,346**	**0**
Development Management Capital	144,525	4,322	148,847	78,048	70,799	52.44%	148,847	0	0	0	0
Planning Policy Capital	516,613	582,096	1,098,709	427,709	671,000	38.93%	1,098,709	0	315,613	200,346	0
Strategy	**9,610,565**	**-3,480,000**	**6,130,565**	**5,080,729**	**1,049,836**	**82.88%**	**6,130,565**	**0**	**5,800,000**	**4,000,000**	**0**
Climate Change Capital	1,697,865	0	1,697,865	1,625,810	72,055	95.76%	1,697,865	0	1,300,000	0	0
Communications and Engagement Capital	106,029	-30,000	76,029	76,029	0	100.00%	76,029	0	0	0	0
Growth & Development Capital	7,806,671	-3,450,000	4,356,671	3,378,890	977,781	77.56%	4,356,671	0	4,500,000	4,000,000	0
Transformation Capital	0	0	0	0	0	0.00%	0	0	0	0	0
Total General Fund	**97,997,943**	**-15,894,514**	**82,103,429**	**43,588,491**	**38,514,938**	**53.09%**	**82,103,429**	**0**	**77,703,231**	**71,410,418**	**4,000,000**
Housing Revenue Account	**21,901,048**	**302,874**	**22,203,922**	**13,104,398**	**9,099,524**	**59.02%**	**22,203,922**	**0**	**20,666,079**	**17,700,001**	**10,700,001**
HRA Dwellings Capital	21,901,048	302,874	22,203,922	13,104,398	9,099,524	59.02%	22,203,922	0	20,666,079	17,700,001	10,700,001
Total Approved Budget	**119,898,991**	**-15,591,640**	**104,307,351**	**56,692,889**	**47,614,462**	**54.35%**	**104,307,351**	**0**	**98,369,310**	**89,110,419**	**14,700,001**

APPENDIX 7

PROJECTED CAPITAL RECEIPTS

The current capital programme relies on the Council generating capital receipts to finance part of the capital programme. There is a high level of risk in these projections as they are subject to changes in property and land values, the actions of potential buyers and being granted planning permission on sites. The table below summarises the current allocated and projected capital receipt position across 2025/26 to 2028/29. A RAG analysis has been included for capital receipts projected, based on the current likelihood of generating them by the end of each financial year. Disposals rated marked "Green" are highly likely to be completed by the end of the financial year, those rated "Amber" are achievable but challenging and thus there is a risk of slippage, and those rated "Red" are highly unlikely to complete in year and thus there is a high risk of slippage. However, no receipts are guaranteed to complete in any financial year as there may be delays between exchanging contracts and completing.

	2025/26	2026/27	2027/28	2028/29
Corporate Resources Allocated in Capital Programme	7,543,347.67	7,058,395	12,646,055	-
Capital Programme Ring-fenced receipt requirements	10,995,771	2,450,000	9,054,000	7,346,294
Transformation activities	13,304,162	-	-	-
Total Commitments	**31,843,281**	**9,508,395**	**21,700,055**	**7,346,294**
Capital Receipts in hand/projected:				
Brought Forward in hand	24,432,326	3,965,464	6,008,418	- 15,626,637
Generated 2025/26 YTD	7,450,887	-	-	-
Projected - 'Green'	3,925,532	11,551,349	65,000	-
Total in hand/projected	**35,808,745**	**15,516,813**	**6,073,418**	**- 15,626,637**
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	**- 3,965,464**	**- 6,008,418**	**15,626,637**	**22,972,931**
Further Assets Being Considered for Disposal (Amber/Red)	2,564,872	26,172,250	8,931,170	-

In 2025/26 there is currently a projected surplus of capital receipts of £3.965m. In 2026/27 there is a projected cumulative surplus of £6.008m, however, cumulative shortfalls of £15.627m and £22.973m are projected in both 2027/28 and 2029/30 respectively.

These surplus and shortfall positions are significantly impacted and mitigated by the capital receipts surplus position in relation to the Housing Revenue Account (HRA). Analysis of the General fund and HRA requirement for capital receipts are shown in the tables below.

General Fund	2025/26	2026/27	2027/28	2028/29
Corporate Resources Allocated in Capital Programme	5,960,663	5,837,075	12,646,055	-
Capital Programme Ring-fenced receipt requirements	360,312	2,450,000	9,054,000	7,346,294
Transformation activities	13,304,162	-	-	-
Total Commitments	**19,625,137**	**8,287,075**	**21,700,055**	**7,346,294**
Capital Receipts in hand/projected:				
Brought Forward in hand	10,992,861	- 763,148	2,501,126	- 19,133,929
Generated 2025/26 YTD	4,516,064	-	-	-
Projected - 'Green'	3,353,065	11,551,349	65,000	-
Total in hand/projected	**18,861,989**	**10,788,201**	**2,566,126**	**- 19,133,929**
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	**763,148**	**- 2,501,126**	**19,133,929**	**26,480,223**
Further Assets Being Considered for Disposal (Amber/Red)	2,564,872	26,172,250	8,931,170	

HRA	2025/26	2026/27	2027/28	2028/29
Corporate Resources Allocated in Capital Programme	1,582,685	1,221,320	-	-
Capital Programme Ring-fenced receipt requirements	10,635,459	-	-	-
Transformation activities				
Total Commitments	**12,218,144**	**1,221,320**	**-**	**-**
Capital Receipts in hand/projected:				
Brought Forward in hand	13,439,465	4,728,612	3,507,292	3,507,292
Generated 2025/26 YTD	2,934,823	-	-	-
Projected - 'Green'	572,468	-	-	
Total in hand/projected	**16,946,756**	**4,728,612**	**3,507,292**	**3,507,292**
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	**- 4,728,611.97**	**- 3,507,292**	**- 3,507,292**	**- 3,507,292**
Further Assets Being Considered for Disposal (Amber/Red)	-	-	-	-

These tables clearly demonstrate that capital receipts for the HRA are in a healthy surplus position over the period, however, there is severe pressure arising from the capital receipts requirement of the General Fund. In 2025/26, 2027/28 and 2028/29 there are currently projected cumulative shortfalls of capital receipts of £0.763m, £19.134m and £26.480m respectively, with a surplus of cumulative capital receipts of £2.501m only being projected in 2026/27.

The requirement for capital receipts arising from the approved 2025/26 capital programme has been mitigated as far as possible by reprofiling and the use of alternative funding; the current projection being only £5.961m in contrast to a requirement of £14.062m at Quarter 2. The significant requirement for capital receipts in 2025/26 is primarily due to the Council's transformational activities. This projection includes £3.368m for the Council's Voluntary Redundancy Programme, £5.600m for transformation projects and £4.336m for the Council's Strategic Transformation Partner. All capital receipts requirement estimates are constantly refined as further details on actual costs are determined.

The 2025/26 capital receipts shortfall of £0.763m is dependent on the realisation of disposals totalling £3.353m by the 31st March 2025. Failure to achieve any of these disposals will exacerbate the capital receipts shortfall.

The 2025/26 capital receipt requirement is primarily needed to fund transformational activities by utilising the flexible use of capital receipts legislation. To mitigate the risk of a shortfall in capital receipts and to enable funding of the estimated £13.304m for 2025/26 transformation spend, a total of £10.000m has been included within the Council's 2025/26 application for Exceptional Financial Support (EFS) submitted in December 2025. Should the Council be successful in it's EFS request for 2025/26, the projected requirement for capital receipts will be adjusted accordingly.

Assets currently being considered for disposal total £37.688m which if realised would be sufficient to resolve the currently projected shortfall in capital receipts peaking at £26.480m in 2028/29. Of these disposals £12.385mm and £25.283m are currently RAG rated "Amber" and "Red" respectively, meaning that they are either achievable but challenging or highly unlikely to complete within the relevant financial years.

There is a significant and urgent pressure, therefore, to progress the disposals programmed for future years, to ensure that they are realised, together with realising the revenue running cost savings from some of the properties. Considerable work is required to realise these receipts, with generally a lead in time of at least 12 to 18 months on larger disposals.

Furthermore, finalisation of the Capital Strategy 2025-26 to 2030-31, a key element of which is to determine the Council's priority capital schemes for future years, may further increase the requirement for capital receipts funding.

APPENDIX 8

FINANCIAL MANAGEMENT INDICATORS

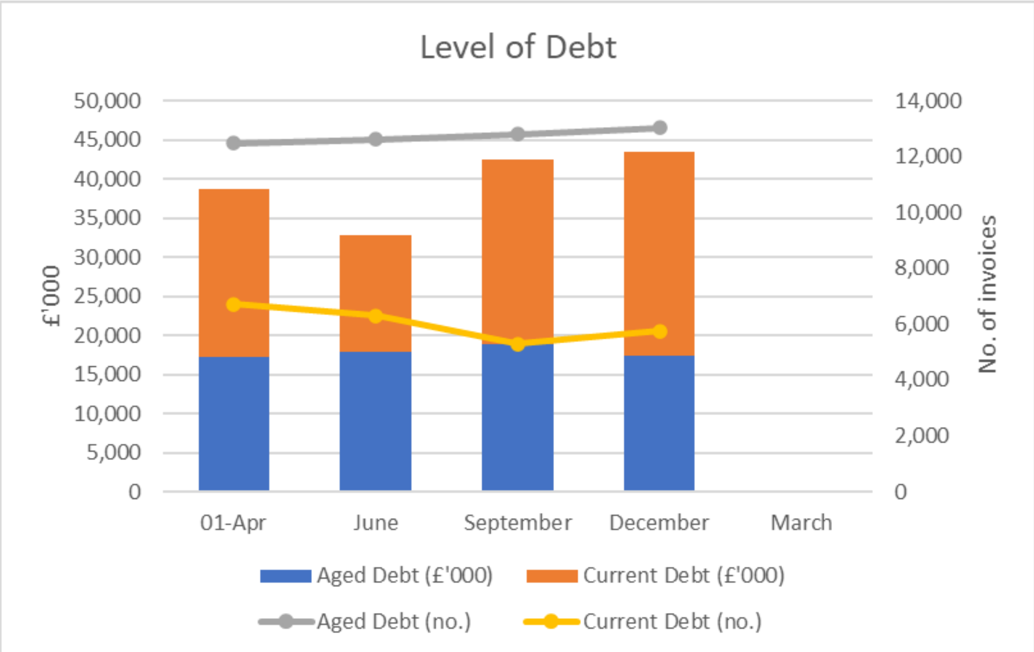
The two financial indicators detailed below will be tracked during the course of the financial year to provide assurance on the Council's financial management processes.

Payment of Invoices

April – December 2025	% of invoices	No. of invoices
Paid within 30 days	81.17	96,857
Invoices not paid within 30 days	18.83	22,473
Total	**100**	**119,330**

Aged Debt

As at 31 Dec 2025	Value (£'000)	No. of invoices
Aged Debt	17,354	13,045
Current Debt	26,188	5,761
Total	**43,542**	**18,806**



The payment of invoices indicator demonstrates that the council is paying just over 80% of invoices to suppliers within 30 days. This indicator has improved during the course of 2025/26 however there is still progress that could be made. Ideally, invoices should be raised for payments due to the council within 30 days, and purchase orders for all new supplies should be raised ahead of delivery. Statistics on late submission of invoices and production of retrospective orders are produced all budget holders and available to the Leadership Board to scrutinise.

The value of aged debt has reduced during the third quarter in terms of value despite the number of invoices increasing. Work continues within the Council to improve internal processes to try to prevent debtors converting to aged status and improve recovery processes. It should be noted that the value of current debt has also increased significantly during the third quarter, and it is important to ensure that the Council obtains prompt payment for this, otherwise significant debt will be added to the aged debt position.

Cabinet Wednesday 11th February 2026

Item

Public

Healthy People

Healthy Economy

Healthy Environment

Healthy Organisation

Adult Social Care Deferred Payment Policy

Responsible Officer:	Laura Tyler		
email:	Laura.tyler@shropshire.gov.uk	Tel:	01743 253178
Cabinet Member (Portfolio Holder):	Cllr Ruth Houghton		

1. Synopsis

The current Deferred payment policy was approved in 2015 after the Care Act 2014. The council has reviewed the current policy to ensure its up to date and reflects current processes and associated costs to provide this service.
A Deferred Payment Agreement (DPA) is a formal arrangement that allows individuals to delay paying for care home fees by securing the debt against their property. Instead of selling their home immediately, the local authority pays the care costs upfront, and the amount is recovered later, usually when the property is sold or from the estate after death.

2. Executive Summary

2.1 Deferred Payment Agreements (DPAs) is a statutory duty that councils must offer to eligible individuals, subject to statutory criteria. It allows individuals entering long-term residential or nursing care who do not have cash assets over £23,250 but do own their own home to defer care home fees by securing the debt against their property. These individuals are not self-funders but are deemed as full charge as they own asset. This prevents the immediate sale of a home and provides financial flexibility during a major life transition. It is governed by the Care Act 2014 and associated regulations.

2.2 Homeowners may be eligible for the value of their home to be disregarded for up to 12 weeks, called a 12-week property disregard. Eligibility for this will depend on when the decision was made to enter a care home and when the referral was made to the council asking for support with this. This is a grace period to decide how the individual wants to fund their care following the 13th week. During this time the individual must still contribute towards the cost of the placement from their income, but the home is not counted as capital.

2.3 If the individuals decide to apply for a Deferred Payment any claim starts from the 13th week or when the application is received.

2.4 This report summarises the main changes and updates within the Deferred payment policy and seeks endorsement from cabinet to approve the changes and additional charges the council has applied within the new policy as outlined in the recommendations.

3. Recommendations

3.1 That Cabinet notes and recommends to Council the approval of the updated Deferred Payment Policy in appendix 1;

3.2 cabinet notes the following main proposed changes within the policy:

- increased one-off setup fee from £610 to £750;
- the introduction of an annual administration charge to reflect the work undertaken during the lifetime of the DPA in notifying interest rate changes and supplying statements;
- Introduce legal charges to reflect the work done in entering the DPA, registration at Land Registry and removing the charge once repaid.
- Maintain the application of interest from contract signing.
- Implement process improvements to reduce completion timelines and strengthen compliance.
- The charges income is used to reinvest in critical staff roles to manage the increasing demand and complex process, this will ensure efficiencies and clear oversight, providing a more consistent approach and improved experience for clients.

Report

4. Risk Assessment and Opportunities Appraisal

4.1 Risk table *(complete below)*

Risk	*Mitigation*
Resources needed to support the increasing numbers of deferred payment agreements	Increases in charges to be reinvested to support the DPA process
Increased cost to individuals	Benchmarking has been carried out to ensure they are realistic and cover cost of the service.
Outdated policy	Updated policy with finance and legal input
Delays in securing property charges	Implement fast-track process with Land Registry Introduce pre-checklist for legal compliance
Aged debt accumulation	Monthly debt monitoring

	Escalation protocol for overdue cases
Audit compliance gaps	Action plan for 19 recommendations Quarterly audit reviews
Stakeholder dissatisfaction	Clear communication of policy changes Provide FAQs and guidance
Interest rate volatility	Review rates bi-annually Align with Care Act 2014 guidance OBR market gilt rates plus 0.15%

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands, and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. **Current Income 2025/26:**

Below is a breakdown of the current income the council receives in relation to existing and new deferred payment applications.

a. Administration Fees: 5 x £610 = £3,050 (invoiced); 12 x £610 = £7,320 (the applicant can request for this charge to be added to the Deferred amount which the council has a duty to consider). These are a one-off fee applied at the start of the application.
b. Interest Charged: £49,841 (Deferred). These are invoiced twice yearly as per Office for Budget Responsibility interest rates.
c. Contributions Invoiced: £215,075. This is based on the assessed Contribution in relation to weekly income and is payable at point of monthly invoicing.
d. Contributions Deferred: £451,382. This is the deferred amount of the weekly contribution; 6 monthly statements are provided to the applicant to monitor this balance.

5.3. **Projected Income Post-Change from 1st April 2026:**

Over the last 2 years we have received an average of 60 Deferred Payment applications, with demand increasing.

a. Setup fees increase from £610 to £750
b. Annual admin fee - proposed £100 per agreement
c. Legal Fees of £240 per agreement (calculated on an estimate of 2.25 hours x bottom scale hourly rate)

d. Cancellation of charge £100 – removal of charge from land registry based on time estimate of 55 minutes
e. £100 (optional) letters of undertaking from solicitor acting in an ongoing sale where proposal is to repay without waiting for DPA agreement

5.4. **Interest Revenue:**

a. Average deferred balance £50,000 per case; interest at 4.65% = £2,325 per case annually.
b. Across 60 cases = £139,500 per year (subject to repayment timing).
c. Net Impact: Additional recurring income from admin fees and interest strengthens cost recovery and sustainability
d. Repayment Timing: Average duration 3 years before property sale.

6. Climate Change Appraisal

6.1. This policy does not have a direct impact on energy and fuel consumption, renewable energies and climate change.

7. Background

7.1. Deferred Payment Agreements (DPAs) were introduced under the Care Act 2014 to ensure that individuals entering long-term residential or nursing care are not forced to sell their homes immediately to meet care costs. The scheme allows eligible adults to defer payment of care home fees by securing the debt against their property. In practice, the local authority pays the care costs upfront and recovers the amount later, typically when the property is sold or from the estate after death.

7.2. The legal framework is set out in the Care and Support (Deferred Payment) Regulations 2014 and subsequent amendments, which require local authorities to offer DPAs to qualifying individuals. The purpose of the legislation is to provide financial flexibility during a major life transition, preventing hardship and enabling choice. While the arrangement operates similarly to a loan, it is cost-neutral for councils, who may recover administrative, legal, and valuation costs.

7.3 The local authority applies to the Land Registry to apply a charge to the property. This scheme was introduced under the Care Act 2014 and is governed by the Care and Support (Deferred Payment) Regulations 2014 and subsequent amendments.

7.4 The Care Act 2014 (sections 34 to 36) requires local authorities to offer DPAs to allow persons to defer the sale of their main or only home where it is needed to fund care fees.

7.5 The Care and Support (Deferred Payment) Regulations 2014 and The Care and Support (Deferred Payment) (Amendment) Regulations 2017 set out the legal framework and local authorities' responsibilities in greater detail.

7.6 Access to the scheme is subject to statutory eligibility criteria, including property ownership and capital thresholds. Local authorities apply a legal charge on the property through the Land Registry to secure the agreement. This approach supports adults who have most of their capital tied up in their home, allowing them to maintain care arrangements without immediate asset liquidation.

7.7 Demand into ASC from self-funders is increasing, with those eligible for a DPA more than doubled over the last 3 years.

7.8 The Care Act 2014 permits Local Authorities to charge for the DPA scheme but only on a cost neutral basis to recover as admin fees, legal, valuation and ongoing running costs.

7.9 The changes to the pricing structure will not affect the existing DPA agreements they will be charged for future agreements only.

7.10 Eligibility is for those with assessed care needs, property not disregarded, and capital below £23,250**.**

7.11. The Setup fee is currently £610; this was set in 2015 and has not been reviewed since.

7.12. Interest is applied from contract signing; invoiced six-monthly and paid at redemption of the deferred payment. Repayment: Deferred amount plus interest and fees recovered upon property sale or from estate.

7.13. Benchmarking has supported in the review of current charges and identified that Neighbouring Authorities charge the following:

- Setup fees range £750–£1,000.
- Annual admin fees £100–£250.
- Legal Fees (where charged separately) up to £400
- interest rates consistent with statutory guidance

7.14 A part of the review in how the council manages Deferred Payments, we have considered that there are charges we are permitted to apply which we do not currently charge for. We have considered that other councils do so and what charges would be fair and in line with our comparative neighbouring councils. Adding these additional charges will support with improving the function and processes of Deferred Payment applications, improving the service being delivered to the residents of Shropshire. The council needs to be compliant with auditing standards and to support with efficiencies and monitoring of the process from start to finish. Councils are not permitted to make a profit from DPA's therefore the additional fees will be used to create additional resource to focus solely on Deferred Payments, this will support colleagues in social work operations, financial assessments, budget setting and legal.

7.15. The updated policy and changes will ensure compliance with 19 audit recommendations. Improved income management, legal compliance, and system controls.

7.16. The policy and investment will support the current challenges and delays in securing charges and process inefficiencies.

7.17. Investment in a dedicated role for DPA's will support with robust oversight of active DPA's and those in sleep state to ensure full recovery of funds, DPA's currently equate to £2.7m budget commitment and aged debt. It will also support with pressure on Land Registry where there is a back log of over 12 months.

8. Additional Information

8.1**.** Deferred Payment Agreements are critical to the delivery of adult social care. They enable residents to access long-term care without immediate financial distress, aligning with our commitment to fairness, choice, and independence. By offering this flexibility, we reduce the risk of delayed admissions, ensure continuity of care, and support families during complex financial decisions.

8.2. For the Council, the scheme safeguards revenue streams while meeting statutory duties under the Care Act 2014. Effective administration of DPAs also helps manage demand pressures, maintain financial sustainability, and uphold public confidence in our services. Strengthening this policy is therefore essential to balancing compassionate care with robust financial governance.

9. Conclusions

9.1. Deferred Payment Agreements remain a vital mechanism for supporting individuals who require long-term residential care without forcing the immediate sale of their home. They uphold the principles of the Care Act 2014, offering financial flexibility and choice while ensuring the Council recovers costs in a fair and sustainable way.

9.2. Recent audits and operational reviews highlight the need for improved processes, stronger controls, and timely invoicing to mitigate financial risk and maintain compliance. Implementing this updated policy sets clearer charging structures, streamlined administration, and enhanced monitoring will strengthen governance and reduce exposure to aged debt.

9.3. Cabinet is asked to endorse these recommendations to ensure the scheme continues to operate effectively, remains cost-neutral, and delivers equitable outcomes for service users and the Council. If approved the report will be presented to full council to approval alongside the annual Fees and Charges report.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member:	***ALL***

Appendices [Please list the titles of Appendices]

APPENDIX 1 - ADULT SOCIAL CARE DEFERRED PAYMENT POLICY.DOCX

APPENDIX 2 - THE CARE AND SUPPORT (DEFERRED PAYMENT) (AMENDMENT) REGULATIONS 2017

APPENDIX 3 - THE CARE AND SUPPORT (DEFERRED PAYMENT) REGULATIONS 2014

APPENDIX 4 - AUDIT COMMITTEE REPORT - DEFERRED PAYMENTS MANAGEMENT

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STATUTORY INSTRUMENTS

2017 No. 1318

SOCIAL CARE, ENGLAND

The Care and Support (Deferred Payment) (Amendment) Regulations 2017

Made - - - -	*20th December 2017*
Laid before Parliament	*21st December 2017*
Coming into force - -	*5th February 2018*

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 34(1) and 125(2) and (7) of the Care Act 2014(**a**).

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Care and Support (Deferred Payment) (Amendment) Regulations 2017 and come into force on 5th February 2018

(2) In these Regulations, "the Principal Regulations" means the Care and Support (Deferred Payment) Regulations 2014(**b**).

Amendment of regulation 2(2)

2. Paragraph (2)(a) of regulation 2 of the Principal Regulations is amended as follows—

(a) for "and" at the end of sub-paragraph (ii) there shall be substituted "or"; and

(b) after sub-paragraph (ii) there shall be inserted—

"(iii) are not being or going to be met by the local authority under section 18 and are needs that the local authority considers it would be required to meet under that section by the provision of accommodation in a care home but for the fact that the local authority is satisfied that the adult's financial resources are above the financial limit(**c**); and".

Amendment of regulation 3(1)

3. Paragraph (1)(a) of regulation 3 of the Principal Regulations is amended as follows—

(a) at the end of sub-paragraph (ii) there shall be inserted "or"; and

(b) after sub-paragraph (ii) there shall be inserted—

"(iii) are not being or going to be met by the local authority under section 18 and are needs that the local authority considers it would be required to meet under that section by the provision of accommodation in a care home but for the fact

(**a**) 2014 c.23. The powers to make regulations are exercisable by the Secretary of State: *see* section 125(1).
(**b**) S.I. 2014/2671 to which amendments which are not relevant have been made by S.I. 2015/644.
(**c**) *See* section 17(10) of the Care Act 2014 for the definition of "financial limit".

that the local authority is satisfied that the adult's financial resources are above the financial limit; ".

Signed by authority of the Secretary of State for Health.

Jackie Doyle-Price
Parliamentary Under-Secretary of State,
20th December 2017 Department of Health

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Care and Support (Deferred Payment) Regulations 2014 ("the Principal Regulations"). Regulation 2 of the Principal Regulations sets out the circumstances in which a local authority must enter into a deferred payment agreement and regulation 3 of the Principal Regulations sets out the circumstances in which a local authority is permitted to enter into a deferred payment agreement.

Regulations 3 and 4 of these Regulations amend regulations 2(2) and 3(1) of the Principal Regulations so that a local authority may be required or permitted to enter into a deferred payment agreement in a case where a local authority is not meeting or going to meet the adult's needs by the provision of accommodation in a care home, if the local authority considers that it would have been required to meet the adult's needs under section 18 but for the fact that the adult's financial resources exceed the financial limit.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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S T A T U T O R Y   I N S T R U M E N T S

2014 No. 2671

SOCIAL CARE, ENGLAND

The Care and Support (Deferred Payment) Regulations 2014

Made - - - -	*22nd October 2014*
Laid before Parliament	*31st October 2014*
Coming into force in accordance with regulation 1(1)	

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 34(1), (2) and (4) to (8), 35 and 125(7) and (8) of the Care Act 2014(**a**).

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Care and Support (Deferred Payment) Regulations 2014 and come into force immediately after sections 34(1) and 35(1) of the Care Act 2014 are both fully in force(**b**).

(2) In these Regulations—

"the Act" means the Care Act 2014 and a reference to a section is a reference to a section of the Act;

"care home" means a care home, within the meaning given in section 3 of the Care Standards Act 2000(**c**), in respect of which a person is registered under the Health and Social Care Act 2008(**d**) for the regulated activity of the provision of accommodation together with nursing or personal care;

"long tenancy" is a tenancy granted for a term of years certain exceeding twenty one years, whether or not the tenancy is, or may become, terminable before the end of that term by notice given by or to the tenant or by re-entry, forfeiture or otherwise and includes a lease for a term fixed by law under a grant with a covenant or obligation for perpetual renewal unless it is a lease by sub-demise from one which is not a long tenancy;

"specified time" means the time specified in regulation 7;

"supported living accommodation" has the meaning in regulation 3(2);

"the 2011 Act" means the Budget Responsibility and National Audit Act 2011(**e**).

(**a**) 2014 c.23. The powers to make regulations are exercisable by the Secretary of State; see section 125(1).
(**b**) Sections 34(1) and 35(1) have been commenced for the purpose of making regulations by S.I. 2014/2473.
(**c**) 2000 c.14.
(**d**) 2008 c.14.
(**e**) 2011 c.4.

Local authority required to enter into a deferred payment agreement

2.—(1) A local authority(**a**) is required to enter into a deferred payment agreement with an adult if—

(a) paragraph (2) applies to the adult;

(b) the condition in regulation 4 is met; and

(c) the adult agrees to all the terms and conditions included in the agreement in accordance with regulation 11.

(2) This paragraph applies to an adult if—

(a) the adult's needs for care and support—

(i) are being met or are going to be met under section 18 or section 19(1) or (2) and the care and support plan(**b**) for the adult specifies that the local authority is going to meet the adult's needs by the provision of accommodation in a care home; or

(ii) are not being or going to be met by the local authority and the local authority considers that if it had been asked to meet the adult's needs it would have done so under section 18 or section 19(1) or (2) and it would have met the adult's needs by the provision to the adult of accommodation in a care home; and

(b) the local authority is satisfied that the adult has a legal or beneficial interest in a property which is the adult's main or only home, and

(i) where a financial assessment within the meaning of section 17(5) has been carried out in respect of the adult, that—

(aa) the value of that interest has not been disregarded for the purposes of calculating the amount of the adult's capital(**c**); and

(bb) the adult's capital less the value of that interest does not exceed £23,250; or

(ii) where such a financial assessment has not been carried out in respect of the adult that sub-paragraph (i) would be satisfied if such an assessment were carried out.

(3) But a local authority is only required to enter into a deferred payment agreement with an adult for amounts due from the adult to the authority under section 14, or for costs of care and support the provision of which the local authority considers to be necessary to meet the adult's needs.

Local authority permitted to enter into a deferred payment agreement

3.—(1) A local authority is permitted to enter into a deferred payment agreement with an adult if—

(a) the adult's needs for care and support—

(i) are being met or are going to be met under section 18 or section 19(1) or (2) and the care and support plan for the adult specifies that the local authority is going to meet the adult's needs by the provision to the adult of accommodation in a care home or supported living accommodation; or

(ii) are not being or going to be met by the local authority and the local authority considers that if it had been asked to meet the adult's needs it would have done so under section 18 or section 19(1) or (2) and it would have met the adult's needs by the provision to the adult of accommodation in a care home or supported living accommodation;

(**a**) *See* section 1(4) of the Act as to the meaning of "local authority"; the definition in section 1(4) is limited to local authorities in England.

(**b**) *See* section 25 for the definition of "care and support plan".

(**c**) *See* section 17(11)(b) which provides that regulations under that section must make provision for calculating capital.

(b) the condition in regulation 4 is met; and

(c) the adult agrees to all the terms and conditions included in the agreement in accordance with regulation 11.

(2) For the purpose of paragraph (1), "supported living accommodation" means accommodation which is not a care home and is—

(a) in premises which are specifically designed or adapted for occupation by adults with needs for care and support to enable them to live as independently as possible; or

(b) provided—

(i) in premises which are intended for occupation by adults with needs for care and support (whether or not the premises are specifically designed or adapted for that purpose); and

(ii) in circumstances in which personal care is available if required.

(3) For the purposes of paragraph (2)(b)(ii), personal care may be provided by a person other than the person who provides the accommodation.

(4) The accommodation referred to in paragraph (2) does not include premises—

(a) in respect of which the adult is for the time being entitled to dispose of the fee simple, whether or not with the consent of other joint owners; or

(b) which the adult occupies other than under a licence or tenancy agreement.

(5) In paragraph (4) "tenancy" means a tenancy which is not a long tenancy.

Adequate security

4.—(1) The local authority must obtain—

(a) adequate security for the payment of the adult's deferred amount(**a**) and any interest or administration costs which are treated in the same way as the adult's deferred amount; and

(b) the consent referred to in paragraph (4), if the authority considers it is necessary to do so.

(2) For the purposes of regulation 2, "adequate security" is a charge by way of legal mortgage for an amount which is at least equal to the deferred amount and any interest or administration costs which are to be treated in the same way as the adult's deferred amount and which is capable of being registered as a first legal charge in favour of the local authority in the land register(**b**).

(3) For the purposes of regulation 3, "adequate security" is—

(a) a charge by way of legal mortgage for an amount which is at least equal to the adult's deferred amount and any interest or administration costs which are to be treated in the same way as the adult's deferred amount and which is capable of being registered as described in paragraph (2); or

(b) any other security which the local authority considers is sufficient to secure payment of the deferred amount and any interest and administration costs which are to be treated in the same way as the adult's deferred amount.

(4) The consent required by paragraph (1) is consent which in the opinion of the local authority is genuine and informed consent given in writing to the matters specified in paragraph (5) by any person—

(a) who the authority considers has an interest in the land or other asset in respect of which a charge will be obtained; and

(b) whose interest the authority considers may prevent it from exercising a power of sale of the land or asset or recovering the deferred amount.

(**a**) *See* section 34(6) for the meaning of "deferred amount".
(**b**) *See* the Land Registration Act 2002 (c.9), section 132(1) for the meaning of "charge", "legal mortgage", "register".

(5) The matters specified are—

(a) the creation of a charge; and

(b) the charge taking priority to and ranking before any interest the person has in the land or other asset which will be the subject of the charge.

Deferred amount and equity limit

5.—(1) Subject to paragraph (3), the deferred amount is the sum which is specified or determined in accordance with paragraph (2).

(2) The sum is—

(a) The lower of—

(i) 100% of the amount due from the adult under section 14 or, as the case may be, section 30(2) for the provision of care and support in a care home or supported living accommodation, less any amount which the local authority requires the adult to contribute under regulation 6;

(ii) such lesser part of the amount due under section 14, or as the case may be, section 30(2) as the adult requests, less any amount which the local authority requires the adult to contribute under regulation 6;

(iii) the amount deferred in accordance with sub-paragraphs (i) or (ii), less any amount which, during the time the agreement is in force and in accordance with the terms and conditions of the agreement, the authority does not agree to defer payment of until the specified time; or

(b) 100% of the loan made for the purpose of assisting the adult to obtain care and support in a care home or, as the case may be, supported living accommodation.

(3) But—

(a) the deferred amount and any interest and administration costs which have been treated in the same way as the deferred amount must not exceed the equity limit and the authority must not agree to defer payment of an amount if to do so would exceed the equity limit; unless

(b) at the relevant time, the deferred amount and any interest and administration costs which have been treated in the same way as the deferred amount exceeds the equity limit, in which case the local authority must defer payment of those amounts if paragraph (4) applies.

(4) This paragraph applies if the equity limit was not exceeded at the time when payment of an amount due to the authority under section 14 or 30(2) was last deferred or an instalment under the loan agreement was last advanced to the adult.

(5) The equity limit is 90% of the value of the asset (that is, its current market or surrender value at the relevant time) which the local authority obtains as security for the deferred amount and any interest and administration costs which are to be treated in the same way as the deferred amount, less £14,250 and the amount of any encumbrance secured on it which ranks in priority to the authority's charge.

(6) For the purposes of paragraphs (3) and (5), the relevant time is the time that—

(a) an amount under section 14 or 30(2) is due to the authority; or

(b) the local authority is due to advance an instalment of the loan to the adult under the loan agreement.

(7) Any interest and administration costs may continue to be treated in the same way as the deferred amount even after the equity limit is reached.

Adult's contribution

6.—(1) If in any week during which the agreement is in force the adult's weekly income exceeds £144, a local authority is permitted not to—

(a) defer an amount due to the authority under section 14 or 30(2) for meeting the adult's needs for that week by the provision of accommodation in a care home or supported living accommodation; or

(b) advance an instalment or part of an instalment under the loan agreement for the purpose of assisting the adult to obtain for that week the provision of care and support in a care home or supported living accommodation.

(2) But the amount which under this regulation the local authority may decide not to defer or advance in respect of that week may not exceed the amount by which the adult's income in that week exceeds £144.

(3) Where the local authority decides not to defer an amount or advance an instalment or part of an instalment under paragraph (1), it may include a term in the agreement to require the adult to pay or ensure payment of the amount due to the authority or the provider of the care and support in a care home or supported living accommodation.

(4) In paragraph (3) the amount due to the authority or provider of care and support is the amount which, in accordance with this regulation, the authority decides not to defer.

(5) The amount of the adult's weekly income must be calculated in accordance with regulations made under section 17.

Time for repayment of the deferred amount

7. The specified time for repayment of the deferred amount and any interest and administration costs which have been treated in the same way as the deferred amount is the sooner of—

(a) the date of sale or disposal of the land or other asset in respect of which the authority has a charge; or

(b) 90 days after the date of the death of the adult with whom the agreement is made or such longer time as the authority may permit.

Termination

8. The adult may terminate the deferred payment agreement at any time prior to the specified time by giving the authority reasonable notice in writing and paying to the local authority the deferred amount and any interest and administration costs which have been treated in the same way as the deferred amount.

Interest

9.—(1) A local authority may charge interest on an adult's deferred amount and any amounts which are treated in the same way as the deferred amount provided that, before entering into the agreement, it informs the adult that it proposes to do so and of the rate at which interest will be charged.

(2) The interest may be treated in the same way as the adult's deferred amount, unless the adult requests to pay the interest separately.

(3) The interest rate is a rate that does not exceed the relevant rate for the relevant period plus 0.15%.

(4) The relevant rate is the weighted average interest rate on conventional gilts specified for the financial year in which the relevant period starts in the most recent report published before the start of the relevant period by the Office of Budget Responsibility(**a**) under section 4(3) of the 2011 Act(**b**).

(5) The relevant period is the period starting on—

(**a**) The Office of Budget Responsibility is established by section 3 of the 2011 Act.

(**b**) A copy of the report can be requested via careactconsultation@dh.gsi.gov.uk or the Department of Health, Richmond House, 79 Whitehall, London SW1A 2NS and is available at http://budgetresponsibility.org.uk/.

(a) 1st January and ending on 30th June in any year; or

(b) 1st July and ending on 31st December in any year.

(6) "Financial year" has the meaning given in section 25(2) of the 2011 Act.

Administration costs

10.—(1) The local authority may charge the adult its administration costs in accordance with paragraph (3) or (4) provided that it informs the adult that it proposes to do so, before entering into the agreement, and complies with sub–paragraphs (a) to (c) of paragraph (5).

(2) The administration costs may be treated in the same way as the adult's deferred amount, unless the adult requests to pay them separately.

(3) In this paragraph the administration costs are the total of any costs incurred by the authority in relation to the adult's deferred payment agreement including but not limited to—

(a) the costs of postage, printing and photocopying;

(b) the costs of time spent by persons in relation to the agreement;

(c) the costs of overheads, such as computer equipment and utility charges (to the extent that they are not already included in the costs of time spent by persons in relation to the agreement);

(d) the costs incurred for the purpose of ascertaining the value of the adequate security;

(e) the costs incurred in registering the charge on the land or land charges register;

(f) the costs incurred in perfecting the security obtained in respect of the deferred amount;

(g) the costs incurred in discharging or redeeming the security obtained in respect of the deferred amount; and

(h) the costs which are incurred by the authority for the purpose of ensuring compliance by the parties of the terms and conditions in the agreement.

(4) In this paragraph the administration costs are—

(a) the average cost to the local authority incurred in relation to deferred payment agreements generally, having regard to the costs and fees referred to in sub-paragraphs (a) to (c) of paragraph (3), and for these purposes the local authority may provide for different average costs for different situations;

(b) the costs incurred for the purpose of ascertaining the value of the adequate security;

(c) the costs incurred in registering the charge on the land or land charges register;

(d) the costs incurred in perfecting the security obtained in respect of the deferred amount;

(e) the costs incurred in discharging or redeeming the security obtained in respect of the deferred amount; and

(f) the costs which are incurred by the authority for the purpose of ensuring compliance by the parties of its terms and conditions.

(5) But the local authority must—

(a) before entering into the agreement, give the adult an estimate of the amount of any charge it envisages levying in respect of making the agreement and registering any charge;

(b) before entering into the agreement give the adult an indication of its current charges for, and the matters in respect of which, it considers it may impose a charge under the agreement and information to enable the adult to ascertain the charges if they change during the period during which the agreement is in force;

(c) before requesting payment of any charge, or treating it in the same way as the deferred amount, provide the adult with a statement which sets out the amount of the charge—

(i) which, in a case where the administration costs are calculated in accordance with paragraph (3), is attributable to each of the items referred to in paragraph (3); or

(ii) which, in a case where the costs are calculated in accordance with paragraph 4, is attributable to the costs referred to in paragraph (4)(a) and each of the items referred to in sub-paragraphs (b) to (f) of that paragraph.

Terms, conditions and information

11.—(1) The deferred payment agreement must include any terms, conditions and information, without which the adult is unable to ascertain his or her rights and obligations under the agreement including—

(a) in the case of an agreement under which a local authority agrees to defer until the specified time the repayment of the part of the loan specified in regulation 5, a term to make clear that the local authority will make advances of that loan to the adult in instalments and when those instalments will be made;

(b) a term to explain that the local authority must cease to defer amounts due to the authority under section 14 or 30(2) or advance instalments under the loan agreement if the adult is no longer receiving care and support in a care home or supported living accommodation or if the local authority no longer considers that the adult's needs should be met by the provision of such accommodation;

(c) a term to explain any other circumstances in which the local authority will or may cease to defer amounts due to it under sections 14 or 30(2) or advance instalments under the loan agreement;

(d) a term which requires the local authority to produce a written statement—

(i) which is provided to the adult—

(aa) at the end of the period of six months beginning with the date on which the agreement is entered into;

(bb) every six months after that; and

(cc) within 28 days of a request made by the adult; and

(ii) which shows—

(aa) the amount that the adult would have to pay to the local authority in order to terminate the agreement on the date on which the statement is sent by the authority to the adult or such later date as is requested by the adult; and

(bb) the amount of interest and administration charges which have accrued on the amounts deferred under section 14 or 30(2) or the loan instalments since the commencement of the loan;

(e) a term which requires the local authority to give the adult 30 days written notice of the date on which the equity limit and, if different, the amount which the parties have agreed to defer is likely to be reached;

(f) if the interest is to be treated in the same way as the adult's deferred amount, a term to explain how the interest will compound;

(g) information as to administration costs which the authority may charge under the agreement;

(h) in the case of a loan, a term to make clear that its purpose is to pay the costs of care and support in a care home or supported living accommodation, as the case may be, and that the adult must pay those costs as and when they fall due;

(i) a term which explains that, subject to regulation 5(3), the maximum amount which may be deferred is the equity limit in regulation 5(5), and that this is likely to vary over the term of the agreement;

(j) a term which describes the adequate security accepted by the local authority;

(k) a term requiring the adult to obtain the consent of the local authority for any person to occupy the property; and

(l) a term to explain how the adult may exercise his or her right to terminate the agreement.

(2) The deferred payment agreement may include such other terms and conditions as the local authority considers appropriate.

Signed by authority of the Secretary of State for Health.

Norman Lamb
Minister of State
22nd October 2014 Department of Health

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for local authorities to enter into a deferred payment agreement with an adult and specify the amount of the agreement and conditions which relate to the agreement.

Regulation 2 sets out the circumstances in which a local authority must enter into a deferred payment agreement.

Regulation 3 sets out the circumstances in which a local authority may enter into a deferred payment agreement.

Regulation 4 provides that a local authority must not enter into a deferred payment agreement unless it obtains adequate security for the payment of the deferred amount. It sets out that, for cases where a local authority is required to enter into a deferred payment agreement, the adequate security must be a charge by way of legal mortgage for an amount which is at least equal to the adult's deferred amount and any interest and administration costs which are treated in the same way as the adult's deferred amount and which is capable of being registered as a first legal charge in favour of the local authority in the land register. In the case of a deferred payment agreement which the authority is permitted to enter into, paragraph (3) provides that adequate security is such a charge or such other security as the authority considers will secure payment of the deferred amount.

The regulation also provides that if the authority considers that it is necessary to do so it must also obtain written consent to the matters specified in paragraph (5) from a person who has an interest in the asset over which it has obtained the charge.

Regulation 5 makes provision as to the amount which is deferred under the agreement. Regulation 5(1) provides that, subject to paragraph (3), the deferred amount is the sum in paragraph (2).

Regulation 5(2) provides in effect that, in cases where the adult is required to pay charges for the costs of their care and support to the authority, the amount is 100% of the amount due to the authority from the adult under section 14 (power of local authority to charge) or the amount due to the authority under section 30(2) (additional costs in cases where the adult expresses a preference for particular accommodation) or such lesser amount as the adult requests. In either case these amounts may be reduced by the amount by which the local authority is permitted not to defer under regulation 6 or in accordance with terms and conditions of the agreement.

In the case of a loan, regulation 5(2)(b) provides that the deferred amount is the whole of the loan made to the adult to obtain accommodation in a care home or supported living accommodation.

Regulation 5(3)(a) provides in effect that apart from in the circumstance described in sub-paragraph (b) the deferred amount and interest and costs which have been added to it must not exceed the equity limit specified in paragraph (5). Paragraph (b) of regulation 5(3) requires the authority to defer payment of an amount which exceeds the equity limit if regulation 5(4) applies. Regulation 5(4) applies if the equity limit was not exceeded when amounts were last deferred.

This may arise if the value of the adequate security has fallen since the date of the last deferral. Regulation 5(7) makes clear that interest and administration costs can continue to be added to the deferred amount even after the equity limit is reached.

Regulation 6(1) and (2) provides in effect that the local authority does not have to defer an amount, where, after payment by the adult of the amounts due to the authority, or payment by the adult of the charges due to the provider of care and support in a care home or supported living accommodation, the adult would retain at least £144 of his or her weekly income.

It also provides, by paragraphs (3) and (4), that the local authority may include a term in the agreement to require the adult to pay, or ensure payment of, the amounts which in accordance with the regulation the adult has decided not to defer.

Regulations 7 and 8 make provision as to the time for repayment of the deferred amount and the adult's right to terminate the deferred payment agreement.

Regulations 9 and 10 make provision as to the payment of interest and administration costs.

Regulation 11 details terms and conditions which must or may be in the agreement.

A separate impact assessment has not been prepared for these Regulations. These Regulations are part of a package of legislative measures and the relevant impact assessment can be requested via careactconsultation@dh.gsi.gov.uk or the Department of Health, Richmond House, 79 Whitehall, London SW1A 2NS and is available online at https://www.gov.uk/government/organisations/department-of-health.

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Committee and Date
Audit Committee
27th November 2025

Item

Public

Deferred Payments Management Update

Responsible Officer:	Laura Tyler		
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Cabinet Member (Portfolio Holder):	Ruth Houghton		

1. Synopsis

This report provides an update to the Audit Committee on the 2024/25 Deferred Payments, assessing progress on recommendations made in the 2021/22 audit.

This report sets out the future steps to address the outstanding risks, ongoing actions to address identified control weaknesses providing reassurance that the necessary improvements have either been implemented or are imminent to improve the assurance level.

2. Executive Summary

2.1. Background

The Financial Assessment Team is responsible for evaluating individuals' financial circumstances to determine eligibility for various support services and funding options. One of their key areas of work involves managing deferred payments, which allow eligible individuals to delay payment for certain services, such as residential care, until a later date. This process helps alleviate immediate financial pressure while maintaining access to essential services. The previous 2021/22 audit provided a Limited Assurance level due to several control weaknesses in income management, policy & process and system controls

2.2. Current Audit Findings (2024/25)

The 2024/25 follow-up audit identified a weakened control environment and made 19 recommendations, categorised as follows:

Total	Fundamental	Significant	Requires Attention	Best Practice
19	0	9	10	0

Key concerns include:

- **Income Management:** Timeliness of invoicing, calculation of interest, and documentation of final checks and agreement on deferred payment balances.
- **Policy & Process:** Inquiries regarding Legal Matters, Property Insurance Status, and Review of Deferred Payment Forms
- **System Controls:** Updating System with Accrued Interest Calculations

2.3. Assurance Level: Unsatisfactory (Weakening Control Environment).

2.4. 95% of recommendations are complete from the audit.

2.5. One recommendation (5%) was already part of the deferred payment process when the audit was carried out.

3. Recommendations

3.1 That the Audit Committee notes the corrective actions already undertaken and planned. The current situation is that all recommendations are either complete or in progress.

3.2. That officer responsible reports back on progress within six months of this report to demonstrate improvements in governance and financial control to finalise the improvements to the deferred payment agreement processes.

Report

4. Risk Assessment and Opportunities Appraisal

4.1 The audit highlighted high financial and operational risks, particularly in:

a. Financial Controls: Council may not recover Social Care fees to which it is entitled, which could result in reputational and financial impact.

b. Governance: Issues related to processes, controls, and policy approval have been identified as areas of concern.

c. Systems: There are fragmented methods used for recording account information, with manual calculations carried out across various systems. Management oversight is currently limited in these processes.

4. Addressing these risks presents an opportunity to:

a. Improve our financial controls and ensure the recovery of entitled Social Care fees from Deferred Payments.

b. Strengthening our governance through better processes, controls, and policy approvals which will lead to increased transparency and accountability.

c. Streamlining systems and reducing fragmentation will improve data accuracy, reduce manual errors, and enable more effective management oversight, ultimately supporting better decision-making and resource allocation.

4.3. Risk table

Risk Area	Mitigation
Financial Controls	Implement robust financial controls, regular audits, and ensure prompt recovery of Deferred Payments.
Governance	Strengthen governance frameworks, standardise policy approval, and enhance process documentation and oversight.
Systems	Streamline systems, integrate data platforms and improve management reporting

5. Financial Implications

- Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):
  - scaling down initiatives,
  - changing the scope of activities,
  - delaying implementation of agreed plans, or
  - extending delivery timescales.

5.1 The audit found financial inefficiencies in the management of Deferred Payments

a. Interest charges are not currently applied to post-Care Act deferred payments due to system limitations
b. Delays in recovering deferred debt due to ineffective recovery processes.

c. Fragmented processes due to financial records being spread across multiple IT systems (LAS, ContrOCC, ERP, SharePoint, and some legacy systems).

5.2. Failure to address these issues may lead to

a. Financial losses due to uncollected income
b. Increased budget pressures
c. Reputational damage for the Council.

5.3. This report sets out the measures that have both been implemented and are planned to substantially reduce the risks set out in section 5.

6. Climate Change Appraisal

6.1. There are no anticipated climate change or environmental impacts associated with the recommendations in this report.

7. Background

7.1. Full detail of recommendations has been summarised in appendix 1 and should be read in conjunction with this section.

7.2. All recommendations are complete.

8. Additional Information

No additional information is provided as part of this report

9. Conclusions

9.1. A structured action plan (Appendix 1) outlines specific corrective measures taken and planned, responsible persons, and deadlines.

9.2. Progress will be made with an updated report submitted to the Audit Committee within 6 months of this report.

9.3. Where possible, the highest risk recommendations were addressed immediately—either during the audit (and completed before the final report) or before the target completion date. However, with the recent formation of the deferred payment working group, further improvements are still underway.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Internal Audit Report Deferred Payments 2021/22

Internal Audit Report Deferred Payments 2024/25

Local Member:	ALL

Appendices

Appendix 1 - Audit Recommendations Table

Appendix 1
Audit Recommendations Table

Rec No	Recommendation	Rating	Responsible Officer	Target Date	Status	Comments
1	The queries and discrepancies in the draft policy should be discussed and agreed by the Team Leader: Financial Assessments and Legal Services, to ensure that the team's processes are consistent with the policy. The policy should then be agreed by DMT and ratified by Cabinet.	Significant	Kim Russon, Team Leader	31/12/2025	Complete	The discrepancies and queries have been resolved. The policy is being reviewed by Service Managers prior to presentation at SMT and is due to go to cabinet for sign off in February 2026.
2	The Adult Social Care Charging & Financial Assessment Policy for Residential Care 24/25 should include details of administration charges to be applied to Deferred Payment accounts when it is updated for 25/26. In addition, the administration fee should be reviewed, with methodology for calculating the fee recorded and authorised. This fee should then be reviewed on an annual basis, ensuring that it complies with the requirements of the Care Act, i.e., that the Council is not making a profit. Charges should be included in the fees and charges policy when submitted to Council for approval in line with the Council's Constitution.	Requires Attention	Kim Russon, Team Leader	31/12/2025	Complete	The Policy has been updated to include details of the Deferred Payment Agreement admin fees. The admin fee is under review by the Finance Business Partner and will form part of charges policy paper to cabinet when the budget is presented.
3	The Deferred Payment Agreement 'How to Guide' should be reviewed and updated; version control on the document should reflect this.	Requires Attention	Kim Russon, Team Leader	31/08/2025	Complete	The guide has been reviewed, updated and the version control reflects this.
4	The suite of forms for Deferred Payments should be reviewed and updated to ensure that they complement the current process and	Significant	Kim Russon, Team Leader	30/11/2025	Complete	The forms have been reviewed, updated and version control applied

	timescales/methods for approving the application and funding.					to reflect this. A deferred payment agreement working group has been established and is reviewing the entire deferred payment agreement process – if changes are required to forms/timescales following this review, these will be implemented immediately.
5	The process should be updated to ensure that there is either a sign off of an individual document following Panel, or retention of an authorised list from Panel.	Requires Attention	Kim Russon, Team Leader	30/09/2025	Complete	It is already part of the process that form DPA2, Appendix 1 is signed off for deferred payment application at panel and retained in the service user's deferred payment agreement folder in SharePoint. (DPA2 App1 records the fee structure for the deferred payment agreement)
6	There should be either an official valuation, or a copy of a valuation from a reputable website or a surveyor retained on file, so as to justify the property valuations that are being relied upon.	Significant	Kim Russon, Team Leader	30/11/2025	Complete	Where an official valuation has not been provided, the Financial Assessment Officer will obtain a valuation from a reputable website such as Zoopla, On the Market or Rightmove

						and record this on a valuation sheet which they then sign and retain in the service user's folder in SharePoint.
7	Case P342826 should be reviewed by the Financial Assessment Team to ensure that the charge has been registered against the property. If it has already been done, there should be a copy on the applicant's file.	Requires Attention	Kim Russon, Team Leader	30/04/2025	Completed	The charge was placed on the property in January 2021. A copy of the official register is now saved to file.
8	An update should be made to ContrOCC to allow for interest to be added to post Care Act cases.	Significant	Kim Russon, Team Leader	31/03/2026	Completed	Testing of the functionality of ContrOCC to charge interest on deferred payment agreements has been signed off in the test site and is now live since the 7/11/25 with all payments to be updated by the 30/11/25
9	Insurances should be reviewed and brought up to date for all current deferred payment agreements. In addition, the letter issued by the Financial Assessment Team to request an up to date insurance certificate should state that insurance needs to be for an empty property if indeed this is the case.	Significant	Kim Russon, Team Leader	30/11/2025	Complete	Insurance documents have been brought up to date for all deferred payment agreement service users. The letter issued by the Financial Assessment Team has been updated to state that insurance for an empty property is required, where applicable. Processes have been implemented

						to ensure Financial Assessment Officers are reminded annually to request up to date insurance policy documents.
10	A copy of the six-monthly statements sent out from ContrOCC should be retained on SharePoint for reference purposes.	Requires Attention	Kim Russon, Team Leader	31/03/2026	Complete	Statements will be issued following the annual uplift of care home fees and six months thereafter and will be saved to SharePoint
11	The Financial Assessments Team should raise an invoice on ERP in respect of the four deferred payment accounts where the service user has died and their property is vacant. This should be issued to the executor/representative, along with a covering letter stating that further interest will be due covering the period between the date of the invoice and the payment date. The Financial Assessments Team should consult with the ContrOCC Support Team regarding the method by which the remaining interest will be calculated accrued within ContrOCC until the time that the deferred charges are paid.	Significant	Kim Russon, Team Leader	31/07/2025	Completed	Invoices have been raised in ERP for the relevant service users and letters issued to the executors of the estate. Once interest has been set up in the live system, ContrOCC will have the functionality to generate interest charges whilst we await payment.
12	The deferred payments where there is a tenant in the deceased service user's property should be referred to Legal Services for further action, to ensure that paragraph 10 of the Deferred Payment Agreement is enforced. An invoice should then be raised on ERP by the Financial	Significant	Kim Russon, Team Leader	30/04/2025	Completed	Properties can be rented under the Deferred Payment Scheme as long as this has been agreed by Shropshire Council. An

	Assessments Team, to be accompanied by a letter regarding the accruing interest.					invoice for the deceased service user's deferred balance was raised in April 2025 and payment has been received to clear the debt.
13	The Team Leader, Financial Assessments Team should review the deferred charges totals against the equity amounts twice a year to ensure that the deferred total has not been left to exceed the equity value.	Requires Attention	Kim Russon, Team Leader	30/06/2025	Completed	The Team Leader has introduced a monthly monitoring process which looks at the accruing balances and their progress toward the equity limit.
14	The Team Leader, Financial Assessments Team should liaise with the Land Charges Team to request that her team are informed of any changes in debt secured against a property that has a charge in lieu of care contributions.	Significant	Kim Russon, Team Leader	31/08/2025	Complete	The Team Leader has liaised with legal services regarding this recommendation and has been advised that when our charge is registered it takes priority to everything registered after it and we register notice that the amount of our debt is not fixed so any mortgage etc taken out after our charge would not be paid out until our full debt was paid. They are investigating how any changes made to the register by Land Registry can be monitored.

15	Where voluntary credits are paid by a service user's representative, an alternative statement should be produced manually by the Financial Assessment Officer to account for the additional payment instead of the standard six monthly statement and a separate letter, thus only issuing one accurate document as to the current balances. This should be reviewed for accuracy by the Senior Assessment Officer, with a copy of the alternative statement held on SharePoint along with evidence of the checks carried out.	Requires Attention	Kim Russon, Team Leader	31/07/2025	Completed	A manual statement has been created to be used where a service user or their financial representative is making additional payments during the lifetime of the deferred payment to reduce the final debt when it ends. The statement is signed by either the Team Leader or the Senior Assessment Officer, before being issued.
16	Management checks should be evidenced on all redemption calculation spreadsheets following the changes made to the spreadsheet to accommodate this.	Requires Attention	Kim Russon, Team Leader	30/06/2025	Completed	The redemption calculation has a section to be completed by the Team Leader or Senior Assessment Officer to confirm they have checked the calculation. The process has also been updated to reflect this.
17	The Finance Team should be reminded that they should inform the Financial Assessments Team promptly of deferred payment redemptions, so that the Financial Assessments Team can raise an invoice on ERP to offset the payment. The Finance Team should then journal the payment to the correct cost code to offset the debtor account.	Requires Attention	Kim Russon, Team Leader	30/06/2025	Completed	The finance team have been reminded to inform Financial Assessment Team of any income received to clear deferred balances. The Team Leader has also incorporated a check for any income in her

						monthly monitory of deferred payments.
18	The Team Leader, Financial Assessment Team should liaise with both the Senior Debt Officer and the Finance Business Partner prior to year end to ensure that all income has been correctly allocated to the social care budgets and the individual service users on ERP, the debtor accounts correctly reflect income due in respect of both current and ended deferred payments, and that interest is also calculated from ContrOCC records for ended deferred payments for which payment is due, so that a figure can be included in the accounts for this. A record should be maintained of checks carried out and final figures agreed.	Significant	Kim Russon, Team Leader	30/06/2025	Completed	The monthly monitoring conducted by the Team Leader captures the deferred balances accrued within ContrOCC and additional payments made by service users or their financial representatives. The monitoring report has been shared with the Senior Debt Officer and the Finance Business Partner so that they have accurate figures.
19	The duplicate outlook account relating to the previous role at the Council should be closed. ICT should be consulted to ensure that this does not impact her training refresher course deadlines on her current user account	Requires Attention	Kim Russon, Team Leader	31/05/2025	Completed	The outlook account had been closed by IT services whilst the audit was being conducted.

Committee and Date	Item
Cabinet	
11th February 2026	
	Public

Healthy People
Healthy Economy
Healthy Environment
Healthy Organisation

Determination of Admission Arrangements 2027/2028

Responsible Officer:	David Shaw		
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Cabinet Member (Portfolio Holder):	Andy Hall		

1. Synopsis

1. Following recommendations from the Local Admissions Forum, in accordance with the School Admissions Code 2021 and The School Admissions Regulations 2012, approval is sought from Cabinet to determine admission arrangements 2027-28 for Shropshire Council's community and voluntary controlled schools.

2. Executive Summary

2.1. Shropshire Council is the admission authority for community and voluntary controlled schools in Shropshire. As such, it must determine its admission arrangements for school pupils every year, even if they have not changed from previous years and a consultation has not, therefore, been required. This must be completed by 28 February in the determination year.

2.2. The School Admissions Code 2021 requires consultation on admission arrangements every 7 years if no changes have been proposed in that period. Shropshire Council most recently carried out a consultation in 2025 on admission arrangements for 2026-27 and these were determined by Cabinet on 12 February 2025.

2.3. One minor change to oversubscription criteria is proposed for the arrangements for 2027-28. Consequently, Shropshire Council was required to formally consult again on their admission arrangements in entirety

2.4 It is a legal requirement for consultation to have taken place between 1 October 2025 and 31 January 2026 for 6 weeks and for the arrangements to then be determined by Cabinet before 28th February 2026. The timetable for consultation and determination of admission arrangements have been met by Shropshire Council.

2.5 The admission arrangements for 2027-2028, considered and approved by the Local Admissions Forum at their meeting on Wednesday 26 November 2025, are therefore recommended to Cabinet for approval.

3. Recommendations

3.1. That Cabinet determine the proposed admission arrangements 2027 - 2028 for Shropshire's community and voluntary controlled schools as set out in Appendix A to this report and further approves the publication of those arrangements in accordance with the School Admissions Code 2021 and to the notification of this to parties specified in the Code.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. If determination of admission arrangements does not take place before 28 February 2026, Shropshire Council would not be compliant with the appropriate legislation as an admission authority

4.2. These arrangements were subject to public consultation, when all parties and communities, specified in the School Admissions Code, were given the opportunity to consider their impact. Consultation took place between 28 December 2025 and continued for more than 6 weeks until 16 January 2026

4.3. Formal determination and publication of these arrangements will ensure that parents and communities have the opportunity to further consider the impact. If a party considers the arrangements to be unlawful or unfair, there is the opportunity to object to the Office of the Schools Adjudicator by 15 May 2026 for adjudication to be completed prior to the application year.

5. Financial Implications

5.1. There are no financial implications for Shropshire Council connected with the determination of admission arrangements.

6. Climate Change Appraisal

6.1. There are no anticipated climate change implications from the proposals within this report, though the authority continues to work with school leaders, governors and trustees on the opportunities for applying carbon reduction measures in the operation of their schools.

7. Background

7.1. All admission authorities must determine their admission arrangements, including their published admission number (PAN), every year, even if they have not changed from previous years and a consultation has not been required.

7.2. Shropshire Council is the admission authority for community and voluntary controlled schools in the local authority area. The only schools of this type in Shropshire Council's area are primary-phase schools**.**

7.3. All secondary schools in Shropshire Council's area are academies or foundation schools and so the relevant academy trust or governing body is the admission authority and therefore responsible for determining their own admission arrangements

7.4 The annual transfer round applications, for the point of entry to Reception in primary, Year 3 in junior and Year 7 in secondary schools, must still be coordinated by the local authority and the co-ordination scheme is set out in Shropshire Council's admission arrangements

7.5 Shropshire Council are proposing the changing of sibling criteria to the oversubscriptions criteria for all Shropshire community and voluntary controlled schools. Priority will be given to children of a sibling at the school, currently priority is given to children with an older sibling at the school. The proposal brings benefits to families keeping siblings together and provides a more consistent approach across the county where many own admission authority schools either already have the definition of 'a sibling' in their oversubscription or are proposing to change it to 'a sibling' in their oversubscription criteria

7.6 Consultation on the arrangements for 2027-2028 was therefore required, and a formal determination by Shropshire Council must now take place by 28 February 2026**.**

8. Additional Information

8.1. Shropshire Council must be consulted separately by admission authorities who are proposing changes to their own admission arrangements.

9. Conclusions

9.1. Once the arrangements have been determined by Cabinet, they will be published on Shropshire Council's website by 15 March 2026. Any objections to the arrangements can then be lodged with the Office of the Schools Adjudicator by 15 May 2026. This will fulfil Shropshire Council's mandatory responsibilities in accordance with admission regulations.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

School Admissions Code 2021 (available from www.education.gov.uk)

Shropshire Council Determined Admission Arrangements 2026/27 (available from www.shropshire.gov.uk/schooladmissions)

Parents' Guide to Education in Shropshire (available from www.shropshire.gov.uk/schooladmissions)

Local Member:	***All members***

Appendices

Appendix A – Shropshire Council Draft Admission Arrangements 2027/28

Admission Arrangements 2027/28

1. **ADMISSION ARRANGEMENTS FOR 2027/28: SECONDARY AND PRIMARY SCHOOLS, INCLUDING THE CO-ORDINATED SCHEME**
2. **ADMISSION ARRANGEMENTS FOR SCHOOL SIXTH FORMS**
3. **ADMISSION ARRANGEMENTS FOR IN-YEAR ADMISSIONS**
4. **CHANGES TO PUBLISHED ADMISSION NUMBERS FOR 2027/28**
5. **CATCHMENT AREAS FOR 2027/28**

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Introduction

This document is designed to fulfil the requirements of the School Standards and Framework Act 1998, as amended by the Education Acts 2002 and 2005 and the Education and Inspections Act 2006, and subsequent School Admissions Regulations for the determination of admission arrangements. The policy applies to Shropshire community and voluntary controlled schools and to all schools in the co-ordination of applications in the transfer rounds.

Requirements of the Legislation

The School Admissions Code 2021 requires consultation on admission arrangements every 7 years if no changes have been proposed in that period. Shropshire Council most recently carried out a consultation in 2025 on admission arrangements for 2026-27 and these were determined by Cabinet on 12 February 2025. One minor change to oversubscription criteria is proposed for the arrangements for 2027-28. Consequently, Shropshire Council was required to formally consult again on their admission arrangements in entirety

It is a legal requirement for consultation to have taken place between 1 October 2025 and 31 January 2026 for 6 weeks and for the arrangements to then be determined by Cabinet before 28th February 2026. The timetable for consultation and determination of admission arrangements have been met by Shropshire Council.

The co-ordinated arrangements are applicable to the admission of pupils to state-funded schools in the relevant area, so that parents apply to their home local authority and receive one offer of a school place. The 'relevant area' for Shropshire is the whole of the County and at secondary level includes the Parish Councils of Bayton and Mamble in Worcestershire, including the village of Clows Top (as part of the catchment area for the Lacon Childe School) and an area in Powys adjoining the Shropshire boundary to the east of the Offa's Dyke (as part of the catchment area for the Community College at Bishop's Castle).

(1) Admission Arrangements for 2026/27

Secondary

All state-funded secondary schools in the Shropshire Council area (and the all-through school in St. Martin's) are an admission authority in their own right. It is therefore the responsibility of the academy trust or governing body and not Shropshire Council to determine the admission arrangements. The admission arrangements, once determined, for each school, can be found on the school's website, listed below, or on Shropshire Council's own website www.shropshire.gov.uk/school-admissions.

School Name	School Website
Belvidere School	http://www.belvidere.shropshire.sch.uk/
Bridgnorth Endowed School	http://bridgnorthendowed.co.uk/
Church Stretton School	http://www.churchstretton.shropshire.sch.uk/
Idsall School	http://www.idsallschool.org/
Lakelands Academy	http://www.lakelandsacademy.org.uk
Ludlow Church of England School	https://www.ludlowschool.com/
Mary Webb School and Science College	https://www.marywebbschool.com/
Meole Brace School	http://www.meolebrace.com/
Oldbury Wells School	http://www.oldburywells.com/
Shrewsbury Academy	http://www.shrewsburyacademy.co.uk/
Sir John Talbot's School	http://www.sirjohntalbots.co.uk/
St Martins School (3-16 Learning Community)	http://www.stmartins3-16.org/
The Community College, Bishop's Castle	https://ccbcshropshire.com/
The Corbet School	https://corbetschool.net/
The Grove School	http://groveschoolmarketdrayton.co.uk/
The Lacon Childe School	http://www.lacon-childe.org.uk
The Marches School	http://marchesschool.co.uk/
The Priory School	http://priory.tpstrust.co.uk/
The Thomas Adams School	http://www.thomasadams.net
William Brookes School	http://williambrookes.com/

Notes which apply to secondary school oversubscription criteria:

Catchment area maps can be viewed on the General Map viewer available from 'Maps' at the foot of the website www.shropshire.gov.uk or, in case of doubt, individual addresses can be checked by contacting the School Admissions Team. Published admission numbers are listed in the Parents' Guide to Education booklet.

The general definition of a sibling is the brother or sister, stepbrother or stepsister, half-brother or half-sister living at the same address as part of the same family unit and of compulsory school age (i.e. 5 – 16 years). Adopted and foster siblings are also included. Please check individual policies as some academies may extend the sibling criteria to sixth form students. For the sibling connection to apply, a sibling must still be attending the school on the date the child is due to start there. However, cousins or other relatives who take up residence in the home will not be given priority under the sibling criterion. In the case of twins or triplets from the same address the school will endeavour to admit both or all siblings.

All applicants are required to give correct information about the genuine residential address of the child. This is normally expected to be that of the parent/carer who has care of the child for the majority of the time (that is school nights Sunday to Thursday during the week in term time) but where care is shared equally, and no other determinator is applicable, the home address will be determined by which parent claims the relevant Child Benefit.

In the event that two individual applications for one place are exactly the same after all other oversubscription criteria have been taken into account, a tie breaker will be used. This will be by random allocation and overseen by an independent party not connected with the admissions process.

There is no cost associated with the admissions process to Shropshire Local Authority maintained schools.

Parents may request that their child defers transfer to secondary school in a later cohort. Such requests should be made in writing to the local authority by the closing date for applications (31 October) in the age-appropriate application year. Requests will be considered by the admission authority on the basis of the individual circumstances of each case and in the best interests of the child concerned.

Co-ordinated Admission Arrangements for 2027/28 – Secondary

Shropshire Council operates co-ordinated arrangements with other admission authorities in Shropshire (such as academies) and all neighbouring English LAs. Welsh LAs are not currently part of the formal co-ordinated proposals; however, we communicate with Powys, Wrexham and Denbighshire over the allocation of places.

The Admissions Code of Practice requires LAs to use a national date of 1 March each year or next working day for allocating all secondary school places. Therefore the allocation date for 2027/28 will be **1 March 2027**. All parents living within Shropshire are required to use a common application process, which seeks four ranked preferences. All applications must be made to the home LA including applications to academies (which retain the responsibility for their own admission policy). Under the co-ordinated scheme, all Year 6 pupils only receive **one offer of a secondary place, on 1 March** (or next working day)**, via their home LA and not from the LA in which the school is located**. Shropshire operates an equal preference scheme, therefore, where more than one school could be offered, applicants will be offered a place available at the school which appears highest on their list of preferences. Parents from other neighbouring authorities may also apply to Shropshire schools, but must do so via their own LA. Such applications will be notified to Shropshire and considered under the appropriate admissions criteria. The full timetable applicable to both schools and admissions authorities for the exchange of information will be published on the website in advance of the relevant year.

Service Families:

Shropshire Council works with service families to remove potential disadvantage for service children. This is in accordance with Paragraph 2.21 of the School Admissions Code.

Applications from service families without a Shropshire address will be accepted by Shropshire Council if accompanied by a posting order or an official letter with a relocation date to the Shropshire LA area. In these circumstances, a Unit postal address, quartering area address or evidence of their intended address will be used when considering an application against oversubscription criteria. If applications are received in time for inclusion in the main admissions round, no disadvantage will be incurred, and the application will be considered alongside all other applicants. If, due to the timing of a posting, the application is received too late to be considered for national offer day, but the applicant would have been eligible for a place had the application been received on time, a place will be offered at the school. Where application is made for an oversubscribed school that is not the designated catchment school for the service address, it is possible that the application would be declined and parents would be informed of their right to appeal along with the offer of a place at an alternative school.

Late Applications:

Applications will cease to be treated as on time from midnight on 31 October. It will not be possible to consider any late applications or changes to the original preferences where a school is oversubscribed, unless there are some exceptional circumstances evidenced, such as a house move, hospitalisation of a single parent or exceptional difficulties caused by a family bereavement in the lead up to the deadline Up until the beginning of February we shall endeavour to include such exceptional cases in the allocation process but no guarantees can be given. Any other application received after the beginning of February will not be considered for oversubscribed schools, but an offer made of the highest available preference school or the nearest available Shropshire school to the home address. Late applications may be considered as part of the review process.

Applicants who do not receive an offer for any of their preferred schools:

The LA endeavours to accommodate as many first preferences as possible. However, where this cannot be achieved the LA will consider the applicant's second preference, giving it equal weighting with all other first preferences for that school. If the second preference is also unavailable, then the third preference will be considered in the same way as above. Where there are applicants resident within the county who do not receive any of their preferred schools, they will be offered a place at the nearest school to their home address with places available within the LA area. Parents or carers may then be responsible for their child's transport arrangements as the offer of a place does not confer any right to free transport, and the eligibility assessment is completely separate to school admissions.

Where no application is received for a Shropshire child attending a Shropshire local authority school, that parent will be informed by letter that no school place has been allocated, and will be asked to inform the LA of arrangements they are intending to make for their child. Where no response is received, we may follow this up with a home visit by an Education Welfare Officer

Unsuccessful Applicants and the Review Process:

Where applicants cannot be offered a higher preference they will be informed of their right to appeal and automatically added to the waiting list. If they are not satisfied with the place offered, they will be able to request an appeal. Applicants who no longer wish to accept places offered will also be asked to notify the LA of their intention to decline an offer by the response date and inform the LA of the educational arrangements they are making for their child. Applicants who were too late to be included in the main allocation process and were not able to be offered a school place on offer day will be included on the waiting list. The re-allocation of any vacancies to people on the waiting lists will commence in late March. Where a place becomes available the same oversubscription criteria will be used. Where applicants requesting an appeal are residents in a neighbouring authority, that authority will be informed if a place can be offered.

Right of Appeal:

After the review, those on the waiting lists who cannot be offered a place can proceed to the appeal stage. Appeals will be heard by an independent panel usually within 40 school days. The decision of the panel is binding on all parties. Where appeals from parents resident in neighbouring authorities are upheld, the relevant LA will be informed.

Waiting Lists:

After appeals, the waiting list, held in order of oversubscription criteria, continues to operate for whole of the academic year of admission. The following parents will be automatically included on a waiting list, unless they specifically decline:

- Parents who have been unsuccessful at the main round of appeals for admission at the start of Year 7 (secondary school).
- Any new applicants for such places who have moved into the oversubscribed school's area subsequent to the date of appeals for these places.

If any vacancies arise, places will be offered to applicants included on the waiting list in strict accordance with normal published oversubscription criteria. If a place can be offered, the applicant will be expected to take up the place within 6 school weeks or by the start of the next half term, whichever is the earliest date. If an offer of a place is refused, the name will be removed from the waiting list. The waiting lists for all Shropshire schools will be held and administered by the Admissions Team for all year groups and will be ordered in accordance with the published admission criteria. Any further new applications will be treated as mid-term admission applicants at the end of first term of the academic year of admission

Fraudulent or Misleading Information

All applicants are required to give correct information about the genuine residential address of the child, which is normally expected to be with the parent/carer who has care of the child for the majority of the time (that is, school time during the week Sunday to Thursday in term time). In cases of equal shared care, the recipient of Child Benefit will be the deciding factor. When someone owns a property and comes to live with a relation, the substantive home address will be used to allocate a place and not that of the relation. Trial separation may not be accepted as proof of a permanent move. Addresses may be checked when deemed necessary, especially for oversubscribed schools. Parents/carers might be required to provide evidence that the residential address is genuine and council tax records may be verified. On occasions a home visit may be made by an officer from the Local Authority. Where a house move is made, applicants are required to produce written confirmation from their solicitor that contracts have been exchanged or provide a copy of a signed tenancy agreement for a minimum period of 6 months. Short-term tenancy agreements may not be acceptable where the substantive parental address has not been sold at the time of allocation. Where any information regarding a home address is found to be fraudulent or misleading the Local Authority has the right to withdraw the offer of a school place even if the child has been admitted to the school.

Primary

A separate application must be made to transfer from nursery to primary school.

For entry to school in 2027/28, the national offer day for primary school applications for all English local authorities will be **16th April 2027**.

All children in Shropshire are entitled to start school full-time in the September following their fourth birthday. Parents may also defer entry to school until later in the year or until their child reaches compulsory school age (the term following their child's fifth birthday) or elect for their child to attend part-time. Where summer born children defer entry to September they will normally be admitted into Year 1 (not Reception) and will need to make a separate application, unless a formal deferral has been agreed. (Please see information below.) Previous applications cannot be held over into a different academic year; a fresh application must be made.

Parents may request a formal deferral for their child to begin Reception in a later cohort. Such requests should be made in writing to the local authority by the closing date for applications (15 January) in the age-appropriate application year. Requests will be considered by the admission authority on the basis of the individual circumstances of each case and in the best interests of the child concerned.

Shropshire Council does not allow children to start school before they are eligible.

The oversubscription criteria for all Community and Voluntary Controlled Primary Schools for 2027/28 are as follows. **(N.B - Schools that are an admission authority may have determined their own arrangements):**

Children who have an Education Health and Care Plan, which names the school which the child should attend because their needs can be met best by that particular school, will be offered places before other children. After that places will be offered in the following priority order:

Priority 1:
1. 'Looked after children' or children who were previously 'looked after' but immediately after being looked after became subject to an adoption, child arrangements, or special guardianship order1 including those who appear (to Shropshire Council) to have been in state care outside of England and ceased to be in state care as a result of being adopted.

1. A looked after child is a child who is (a) in the care of a local authority, or (b) being provided with accommodation by a local authority in the exercise of their social services functions (see the definition in Section 22(1) of the Children Act 1989).

An adoption order is an order under the Adoption Act 1976 (see Section 12 adoption orders) and children who were adopted under the Adoption and Children Act 2002 (see Section 46 adoption orders).

A 'child arrangements order' is an order settling the arrangements to be made as to the person with whom the child is to live under Section 8 of the Children Act 1989 as amended by Section 14 of the Children and Families Act 2014.

Section 14A of the Children Act 1989 defines a 'special guardianship order' as an order appointing one or more individuals to be a child's special guardian (or special guardians)

Priority 2:

Very exceptionally, priority may be given to a child who has a particular health reason requiring them to attend a specific school. This will only be allowed if parents/carers can provide written evidence from a medical professional that, in the view of the local authority, confirms that attending that particular school is essential to the medical well-being of the child. The Council reserves the right to contact medical professionals to ascertain the relevance of the medical condition.

Priority 3:
Children living inside the catchment area will have next priority. If there are not enough places for all the children living in the catchment area, we will look at the following two criteria:

1) Priority will be given to children living within the catchment area who will have a sibling at the school on the day they are due to start there.

2) After that, priority will be given to other children who live within the catchment area.

Priority 4:

Children of staff at the school in either or both of the following circumstances

1) Where the member of staff has been employed at the school for two or more years at the time at which the application for admission to the school is made; and/or

2)The member of staff is recruited to fill a vacant post at the school for which there is a demonstrable skill shortage

Priority 5:
After that, any places that are left will be offered to children who live outside the catchment area. If there are not enough places for all of them, we will look at the following two criteria:

1) Children living outside the catchment area who will have a sibling at the school on the day they are due to start there.

2) After that other children who live outside the catchment area.

Applicants in each of the categories and sub-categories above will be rank ordered by home to school straight-line distance, where the shortest distance will be given priority. For admission purposes all distances are measured by the School Admissions Team as a straight line distance on a computerised mapping system between the home address and the nearest appropriate entrance gate of the school by pinpointing their eastings and northings. Where two addresses are within the same block of flats, the lowest number of flat or nearest the ground floor will be deemed to be the nearest in distance. (Please see tiebreaker below.)

Notes:

Catchment area maps can be viewed on the General Map viewer available from 'Maps' at the foot of the website www.shropshire.gov.uk or, in case of doubt, individual addresses can be checked by contacting the School Admissions Team. Published admission numbers are listed in the Parents’ Guide to Education booklet.

The definition of a sibling is the brother or sister, stepbrother or stepsister, half-brother or half-sister living at the same address as part of the same family unit and of compulsory school age (i.e. 5 – 16 years). Adopted and foster siblings are also included. Older siblings must still be attending the school on the date the younger sibling is due to start there. However, cousins or other relatives who take up residence in the home will not be given priority under the sibling criterion. In the case of twins or triplets from the same address the school will endeavour to admit both or all siblings.

In the event that two individual applications are exactly the same after all other criteria have been taken into account a tiebreaker will be used. This will be by random allocation and overseen by an independent party not connected with the admissions process.

There is no cost associated with the admissions process to Shropshire Local Authority maintained schools.

Co-ordinated Admission Arrangements for 2027/28 – Primary

Shropshire Council operates co-ordinated arrangements with other admissions authorities in Shropshire (such as academies) and all neighbouring English LAs. Welsh LAs are not part of the primary co-ordinated process.

The national allocation date across England for 2027/28 will be **16th April 2027**. All parents living within Shropshire are required to use a common application process, which seeks three ranked preferences. All applications must be made to the home LA including applications to academies (who have responsibility for their own admission policy). Under the co-ordinated scheme, all children applying for Reception places in infant and primary schools and for year 3 in junior schools receive only **one offer, on 16 April** (or next working day)**, via their home LA and not from the LA in which the school is located**. Shropshire operates an equal preference scheme; therefore, where more than one preferred school may have places available, applicants will be offered a place at the school which appears highest on their list of preferences. Parents from other English neighbouring authorities may also apply to Shropshire schools, but must do so via their own authority. Such applications will be notified to Shropshire and considered under the same admissions criteria. The full timetable applicable to both schools and admissions authorities for the exchange of information will be published on the website in advance of the relevant year.

Service Families:

Shropshire Council works with service families to remove potential disadvantage for service children. This is in accordance with Paragraph 2.21 of the School Admissions Code.

Applications from service families without a Shropshire address will be accepted by Shropshire Council if accompanied by a posting order or an official letter with a relocation date to the Shropshire LA area. In these circumstances, a Unit postal address, quartering area address or evidence of their intended address will be used when considering an application against oversubscription criteria. Children of service families are permitted exceptions to the infant class size restriction of 30 pupils per class.

If applications are received in time for inclusion in the main admissions round, no disadvantage will be incurred, and the application will be considered alongside all other applicants. If, due to the timing of a posting, the application is received too late to be considered for national offer day, but the applicant would have been eligible for a place had the application been received on time, a place will be offered at the school

Where application is made for an oversubscribed school that is not the designated catchment school for the service address, it is possible that the application would be declined, and parents would be informed of their right to appeal along with the offer of a place at an alternative school.

Late Applications:

The online application facility will close at midnight on the closing date (15 January). If application forms are completed they must be returned to direct to the LA by 15 January. It will not be possible to consider any late applications or changes to the original preferences where a school is oversubscribed, unless there are some exceptional circumstances, such as a house move, hospitalisation of a single parent or exceptional difficulties such as those caused by a family bereavement in the lead up to the deadline. Up until mid-March we shall endeavour to include such exceptions in the allocation process, but no guarantees can be given. Any application received after mid-March will not be considered for over-subscribed schools but will be included on the waiting list after the allocation date, or if possible offered the nearest available Shropshire school to their home address.

Applicants who do not receive an offer for any of their preferred schools:

The LA endeavours to accommodate as many first preferences as possible. However, where this cannot be achieved the LA will consider the applicant's second preference, giving it equal weighting to all other first preferences for that school. If the second preference is also unavailable, then the third preference will be considered in the same way as above. Where there are a small number of applicants resident within the county who do not receive any of their preferred schools, they will be offered a place at the nearest available school to their home address within the LA, however no free school transport will be offered unless the school offered is either the catchment area school or the nearest school to the home address and it is more than 2 miles distant by shortest pedestrian route.

Unsuccessful Applicants:

Where applicants cannot be offered their higher preference they will be signposted to the appeals process and automatically added to the waiting list. If they are not satisfied with the place offered they will be able to request an appeal. Applicants who no longer wish to accept places offered will also be asked to notify the LA of their intention to decline an offer by the response date and inform the LA of the educational arrangements they are making for their child. Applicants who were too late to be included in the main allocation process and were not able to be offered a school place will be included in the waiting list. The re-allocation of any vacancies to people on the waiting lists will commence at the beginning of May. Where a place becomes available, the same oversubscription criteria will be used as applicable on National Offer Day. Where applicants requesting an appeal are residents in a neighbouring authority, that authority will be informed if a place can be offered.

Right of Appeal:

After the review, those on the waiting lists who cannot be offered a place, can proceed to the appeal stage. Appeals will be heard by an independent panel usually within 40 school days. The decision of the panel is binding on all parties. Where appeals from parents' resident in neighbouring authorities are upheld, the relevant LA will be informed.

Waiting Lists:

After appeals, the waiting list, held in order of oversubscription criteria, continues to operate for all of the academic year of admission. The following parents will be automatically included on a waiting list, unless they specifically decline:

- Parents who have been unsuccessful at the main round of appeals for admission at the start of Reception (infant and primary schools) and year 3 (junior schools).
- Any new applicants for such places who have moved into the oversubscribed school's area subsequent to the date of appeals for these places.

If any vacancies arise, places will be offered to applicants included on the waiting list in strict accordance with normal published oversubscription criteria. If a place can be offered, the applicant will be expected to take up the place within 6 school weeks or by the start of the next half term, whichever is the earliest date. If an offer of a place is refused, the name will be removed from the waiting list. The waiting lists for all Shropshire schools will be held and administered by the Admissions Team for all year groups and will be ordered in accordance with the published admission criteria. Any further new applications will be treated as mid-term admission applicants at the end of first term of the academic year of admission

Fraudulent or Misleading Information

All applicants are required to give correct information about the genuine residential address of the child, which is normally expected to be with the parent/carer who has care of the child for the majority of the time (that is, school time during the week Sunday to Thursday in term time). In cases of equal shared care, the applicant of Child Benefit will be the deciding factor. When someone owns a property and comes to live with a relation, the substantive home address will be used to allocate a place and not that of the relation. Trial separation may not be accepted as proof of a permanent move. Addresses may be checked when deemed necessary, especially for oversubscribed schools. Parents/carers might be required to provide evidence that the residential address is genuine and council tax records may be verified. On occasions a home visit may be made by an officer from the Local Authority. Where a house move is made, applicants are required to produce written confirmation from their solicitor that contracts have been exchanged or provide a copy of a signed tenancy agreement for a minimum period of 6 months. Short-term tenancy agreements may not be acceptable where the substantive parental address has not been sold at the time of allocation. Where any information regarding a home address is found to be fraudulent or misleading the Local Authority has the right to withdraw the offer of a school place even if the child has been admitted to the school.

(2) Admission arrangements for school sixth forms

All Shropshire Council schools with a sixth form are admission authorities and they hold responsibility for admission to sixth forms. Individual policies are available on the schools' own websites (see page 2) and Shropshire Council's website www.shropshire.gov.uk/school-admissions.

(3) Mid-term /In-year Admissions:

Shropshire Council will be responsible for coordinating in-year applications for all schools including own admission authority schools in Shropshire. Parents and carers can apply for a place for their child at any time to any school. Applications must be made on the Local authority's In-Year Online Application Form via the Parent Portal available on the School Admissions webpage. The School Admissions Team and staff based in schools, libraries and customer services will support parents who have difficulty applying online. In exceptional circumstances, a paper application form will be made available by the School Admissions Team.

Schools must inform the Admissions team of all starters and leavers to allow the local authority to keep up to date figures on availability of places. If there are more applications than places available places will be allocated on the basis of the oversubscription criteria in their determined admission arrangements. If refusing an application, the local authority will inform parents of their right to appeal against the refusal.

The governing body of a foundation or voluntary aided school may require parents who make an application to provide supplementary information in order to apply their own admissions policy. Where supplementary information is required it must be returned along with the application form so that all information can be considered by the relevant admissions authority.

Some applications may be considered under the Fair Access Protocol. Applications from applicants specified in the School Admissions Code, who meet the criteria for consideration under this protocol, will be offered a place at a suitable school without delay.

Appeals

Where applicants cannot be offered their preferred school they will be informed of the right to appeal. Where application is refused for an academy, the Academy Trust is responsible for arranging the admission appeal although they may ask another body to carry out some or all of the functions on their behalf. The earliest possible date for an appeal will be offered. Appeals are generally held on one day each month, and an appeal date must usually be offered within 30 schools days of the appeal being lodged, but generally it takes 4 school weeks to set up an appeal. Where an appeal is upheld or where a parent is informed that the school has a place available, the pupil would be expected to commence at the school within 6 school weeks or by the start of the next half-term (whichever is the earliest) in which the place is offered, otherwise the offer of a place can be withdrawn by the admission authority. Mid-term or in-year admissions will not normally be accepted where this is for a place more than one half-term ahead. The only exception to this would be parents who are applying for a boarding place at Thomas Adams School and where parents are going abroad so that it may be necessary to make arrangements early in the academic year.

Fraudulent or Misleading Information

All applicants are required to give correct information about the genuine residential address of the child, which is normally expected to be with the parent/carer who has care of the child for the majority of the time (that is, school time during the week Sunday to Thursday in term time). In cases of equal shared care, the recipient of Child Benefit will be the deciding factor. When someone owns a property and comes to live with a relation, the substantive home address will be used to allocate a place and not that of the relation. Trial separation may not be accepted as proof of a permanent move. Addresses may be checked when deemed necessary, especially for oversubscribed schools. Parents/carers might be required to provide evidence that the residential address is genuine and council tax records may be verified. On occasions a home visit may be made by an officer from the Local Authority. Where a house move is made, applicants are required to produce written confirmation from their solicitor that contracts have been exchanged or provide a copy of a signed tenancy agreement for a minimum period of 6 months. Short-term tenancy agreements may not be acceptable where the substantive parental address has not been sold at the time of allocation. Where any information regarding a home address is found to be fraudulent or misleading the Local Authority has the right to withdraw the offer of a school place even if the child has been admitted to the school.

(4) Changes to Published Admission Numbers 2027/28

Current admission numbers are shown in the Parents' Guide to Education in Shropshire 2025/26 booklet and proposed changes for 2027/28 are listed below.

Admission authorities are not required to consult where they propose to increase a Published Admission Number (PAN). Increases to PAN are therefore given purely for information and are not subject to consultation.

Where a reduction is proposed to published admission numbers, the admission authority must consult on their admission arrangements in entirety. There are no proposal to reduce PAN for a Shropshire community and voluntary controlled school as follows:

Proposed Reduction in PAN	**School Type**	**Existing PAN**	**Proposed New PAN**	**+ / -**

(5) Catchment Area Changes

No changes are proposed to catchment areas for 2027-2028.

FEEDER LINKED PRIMARY SCHOOLS BY SECONDARY SCHOOL

North Shropshire

Corbet	Baschurch CE Aided Primary Bicton C E (Controlled) Primary Bomere Heath CE (Controlled) Primary Kinnerley C E (Controlled) Primary Myddle C E Primary Nesscliffe, St. Andrew's C E (Voluntary Controlled) Primary Ruyton-XI-Towns, St. John The Baptist C E Primary West Felton C E (Controlled) Primary Weston Lullingfield C E (Controlled) Primary
Grove	Adderley C.E. Primary Buntingsdale Primary Cheswardine Primary Hinstock Primary Hodnet Primary Market Drayton Junior Market Drayton, Longlands Primary Moreton Say C E (Controlled) Primary Norton-In-Hales C E (Voluntary Controlled) Primary Stoke On Tern Primary Woore Primary
Lakelands	Cockshutt CE (Controlled) Primary Criftins C E (Controlled) Primary Ellesmere Primary Welshampton C E Primary
Marches	Bryn Offa C E (Controlled) Primary Morda C E (Voluntary Controlled) Owestry, Holy Trinity Primary Oswestry, Our Lady & St Oswald's Catholic Primary Oswestry, The Meadows Primary Oswestry, Woodside Primary Trefonen C E (Controlled) Primary Whittington C E (Aided) Primary
St Martins	Gobowen Primary Selattyn C E Primary Weston Rhyn Primary
Sir John Talbot's	Lower Heath C E (Controlled) Primary Prees C E (Controlled) Primary Tilstock C E (Controlled) Primary Whitchurch C.E. (Controlled) Junior
Thomas Adams	Clive C E (Controlled) Primary Hadnall C E (Controlled) Primary Newtown C E Primary Shawbury, St. Mary's C E Primary Wem, St Peters C E (Controlled) Primary Whixall C E (Controlled) Primary

South Shropshire

Bridgnorth Endowed	Bridgnorth, St. John's Catholic Primary Bridgnorth, St. Leonard's C.E. Primary Brown Clee C E Primary Morville C E Primary Worfield Endowed C.E. Primary
Church Stretton	Church Stretton, St. Lawrence C.E. Primary Condover CE Primary Dorrington, St Edward's C E Primary Longnor C E Primary Rushbury C E Primary Wistanstow C E Primary
Community College	Bishop's Castle Primary Chirbury C E (Voluntary Controlled) Primary Clun, St George's C E Clunbury C E Primary Lydbury North C E Primary Newcastle Primary Norbury Primary
Idsall	Albrighton Primary Albrighton, St Mary's CE (Controlled) Primary Beckbury CE (Controlled) Primary Sheriffhales Primary Shifnal Primary Shifnal, St. Andrew's C E Primary
Lacon Childe	Bayton Primary School Burford CE Primary Clee Hill Community Primary Cleobury Mortimer Primary Farlow C E Primary Kinlet C E Primary Stottesden C E Primary
Ludlow	Bitterley CE Primary Bishop Hooper, Primay Bucknell, St Mary's CE Primary Corvedale C E Primary Ludlow Junior Ludlow, St. Laurence C E Primary Onny C E Primary Stokesay Primary
Mary Webb	Hanwood St Thomas & St Anne CE Primary Longden CE (Aided) Primary Minsterley Primary Pontesbury CE Primary Stiperstones CE Primary Trinity CE Primary Longmountain CE Primary
Oldbury Wells	Alveley Primary Bridgnorth, Castlefields Primary Bridgnorth, St. Mary's Bluecoat CE Primary Claverley C E Primary Highley Primary
William Brookes	Barrow 1618 CE Free School Brockton CE Primary Broseley C E Primary Broseley, John Wilkinson Primary Buildwas Primary Church Preen Primary Cressage,Christ Church C E Primary Much Wenlock Primary

Contact: Rachel Reynolds on 01743 254435

Cabinet 11 February 2026

Cabinet

Public

Healthy People

Healthy Economy

Healthy Environment

Healthy Organisation

Dedication of a Local Nature Reserve at Eardington

Responsible Officer:	Andy Wilde		
email:	Andy.wilde@shropshire.gov.uk	Tel:	01743 256401
Cabinet Member (Portfolio Holder):	James Owen		

1. Synopsis

It is proposed that Shropshire Council designate land at Eardington Nature Reserve as a Local Nature Reserve. This is a requirement set out in Section 21(6) of the 1949 National Parks & Access to the Countryside Act where a local authority shall exercise their functions in consultation with Natural England. The land is managed by the Council under a 99 lease from Tarmac. The hope is that the declaration will help to raise the profile of the site and increas public usage (with all the health benefits that brings). There is no cost associated with the designation and the consultation report that has been compiled for approval by Natural England was compiled by a skilled volunteer with the support of the Friends Group (reducing officer time needed).

2. Executive Summary

2.1. Eardington Nature Reserve (6.73 ha) lies close to Bridgnorth and the Severn Valley Country Park with the River Severn nearby to the east. The nature reserve supports a superb range of habitats including ponds, open mosaic habitat (bare ground, moss and lichen areas), species-rich grassland and secondary woodland that have all developed on what was a sand and gravel quarry that ceased operations in 1994, although the site contained a ready-mix concrete plant until 2010. There is also a small area of semi-natural deciduous woodland, unaffected by the quarrying operations, that is part of the extensive wooded corridor along the Mor Brook. Eardington Nature Reserve has been designated as a Local Wildlife Site. The nature reserve is managed by the Friends of Eardington Nature Reserve, who commit a large amount of voluntary time every year, together with expert technical input from Shropshire Council staff based at the Severn Valley Country Park. There is a small car park adjacent to the main road that is linked to surfaced paths and a section of Public Footpath together with very useful information boards. The Friends group maintains an excellent website with a range of up-to-date information including many records of animals, plants and fungi. Two detailed information leaflets on the website are available to be downloaded. Designation as a Local Nature Reserve is a significant step-up in terms of recognising the value of the site.

2.2. By protecting an important public open space, there will be improvements to the local quality of life with health and wellbeing benefits. It will also create opportunities for education, enjoyment, exercise and recreation, helping attract visitors and preserve links with the local community and its past.

2.3. There will be positive impacts on the local ecosystem and its biodiversity, as well as the benefits that preserving the natural landscape can have on storage/reduction of carbon and surface water absorption, which will tie into the objectives of the Local Nature Recovery Strategy.

2.4. Empowering the Friends of Eardington Nature Reserve further will bring benefits to the management of the site, as well as further promoting the group's important role for this area.

2.5. This proposal has been pushed forwards by John Box, who is a skilled and knowledgeable volunteer, with the support of the Friends of Eardington Nature Reserve. John has spent a long time compiling the consultation report for Natural England which has reduced the need for officer time on this project. Volunteers are also heavily involved with managing the site, offering a considerable saving to Shropshire Council for all the value that the reserve brings.

2.6. This is a positive example of Shropshire Council's important role in protecting our natural environment and enabling others to do so.

2.7. There are letters of support received from Tarmac, who own the land, (Appendix 2) and Natural England (Appendix 3).

3. Recommendations

It is recommended that Cabinet:

- Approve the declaration of Eardington Local Nature Reserve
- Offer thanks to the work of John Box, the Friends of Eardington Nature Reserve and all other volunteers for their work on the consultation report and for managing this important site.

4. Risk Assessment and Opportunities Appraisal

4.1. This proposal offers a great opportunity to formalise a very effective working relationship with the Friends of Eardington Nature Reserve and other volunteers to promote, protect and manage the site as a key part of conservation efforts and is in line with the direction of the new administration's prevention focused agenda.

4.2. Risk table

Risk	
Officer time uses resources needed elsewhere in the Council to meet statutory duties.	Skilled volunteers have been used to compile the report for consultation with Natural England
Needed legal advice on whether lease permitted Shropshire Council to declare the LNR	Legal Services confirmed that the lease permits this.

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. There is no cost to designate a Local Nature Reserve, apart from some officer time in the Legal team who will need to make the formal declaration. By utilising the skills and experience of a local volunteer to prepare the consultation report, this proposal is of great benefit to Shropshire and its residents, without a direct revenue pressure on the Council's budget.

6. Climate Change Appraisal

6.1 The nature reserve offers a valuable natural way of capturing and storing carbon (wetlands and woodlands) which will mitigate the impacts of climate change, aided bytree planting on the reserve in the form of new hedgerows.

7. Background

7.1. Eardington Nature Reserve is almost wholly within the Eardington Nature Reserve Local Wildlife Site (Appendix E), one of around 700 in Shropshire. Part of the woodland at the southwestern end of the nature reserve as far as the Mor Brook is within the Cleedsmore Local Wildlife Site which includes Cleedsmore Coppice, part of Factory Coppice and the Mor Brook down to Upper Forge.

7.2. Eardington Nature Reserve is a very significant environmental resource in the Bridgnorth area. It is a former sand and gravel quarry that ceased operations in the mid-1990s. The site was then used as a ready-mixed concrete plant until 2010 when the site was finally closed.

7.3. The sand and gravel habitats that are undergoing natural colonisation and succession are a rare habitat in the modern countryside, particularly the areas of bare sand and the extensive area of open mosaic habitat of mosses and lichens. Ten species of solitary bee have been recorded, mainly in the specially constructed “Bee Village” where mason and miner bees dominate. There are particularly large populations of vernal colletes (or early colletes or spring mining-bee) that appear in April and the ivy bee that appear in September/October. Winter stalkball fungus is present on the sandy habitats; rarely found inland in the UK, this species is usually found among moss or short grass mainly on sandy, alkaline soil in dune slacks just behind the first stable sand dune ridges.

7.4. Eardington Nature Reserve is a superb accessible natural greenspace and recreational site for people from the local area and from Bridgnorth that is nearby. The nature reserve is located adjacent to the B4555 about 450 m south of Eardington and 3 km south of Bridgnorth. There is open access for people of all ages and abilities to enjoy the great outdoors. The nature reserve is readily accessible to local residents living nearby being on the bus route from Bridgnorth to Highley and just a short drive from Bridgnorth. Wildlife groups from further afield have previously visited the reserve where Friends of Eardington Nature Reserve volunteers have acted as guides upon request.

7.5. Shropshire Council has an open access policy for all its countryside sites. The Eardington Nature Reserve is open every day of the year for pedestrians. There are brown tourist signs for the nature reserve at the entrance to the car park from the main road and on the main road itself. There is a bus service between Bridgnorth to Stourbridge via Highley that stops at Eardington with a request stop at Eardington Nature Reserve. Eardington Halt on the nearby Severn Valley Railway from Bridgnorth to Kidderminster is not normally open to passengers and there is no direct footpath link from the platform to the nature reserve. The free car park off the B4555 is available all year round and the gate to the car park is opened at 9 am and locked at 6 pm in summer and 4 pm in winter. The car park is well serviced with information boards, holders for paper copies of the two nature reserve leaflets, and two rubbish bins.

7.6. Pedestrian access to the reserve is through wheelchair-friendly kissing gates. A RADAR key is required to open the larger inner gate for easier access for users of wheelchairs and mobility scooters. These are readily available online and from a wide range of shops and other businesses. However, these kissing gates are not big enough to accept the latest large mobility scooters. There are surfaced paths and tracks within the nature reserve, and a wheelchair-friendly bird hide in the secondary woodland. There are no toilets on the site, but many facilities are available in Bridgnorth which is 3 km away by road or at the visitor centre at the Severn Valley Country Park which is 12 km by road. Visitors are encouraged to take litter home with them and two litter bins are provided on the nature reserve. No dogs are allowed on the nature reserve between 1st March and 31st August to prevent disturbance to wildlife including ground-nesting birds; at all other times, dogs should be on leads.

7.3 There is a walkway and viewing platform on the original pond. The bird hide is in the secondary woodland with an open clearing, a small pond that is connected by a pipe to the roof gutter, and bird feeders that are regularly checked. There are several information boards on the nature reserve and six more will be installed in 2025 that are linked to the industrial heritage trail.

8. Additional Information

8.1 In addition, LNR designation meets the following Shropshire Council strategic outcomes set out in the following Strategies:

- Shropshire's Great Outdoors 2018-2028
- https://www.shropshire.gov.uk/media/10853/go-strategy-oct18-final2.pdf
- Shropshire's Economic Growth Strategy 2022-2027. Developing the visitor economy, agricultural support post- Brexit, developing skills, improving Quality of Life and ensuring attractive environments. Shropshire's Economic Growth Strategy 2022-2027 | Shropshire Council
- Shropshire's Local Plan 2016-2038. Better planning of meaningful greenspace and non-motorised access, new destination country parks, protecting environmentally-sensitive sites. Regulation 19: Pre-Submission Draft of the Shropshire Local Plan 2016 to 2038
- Shropshire's Joint Health and Wellbeing Strategy 2022-2027. Harnessing the power of the outdoors to increase physical activity, address mental health issues and help people stay independent for longer. Joint Health and Wellbeing Strategy | Shropshire Council
- Shropshire Local Transport Plan 2011-2026. Encouraging walking and cycling. Local Transport Plan | Shropshire Council
- The Shropshire Plan 2022-2025. This sets the context of delivering Healthy People, Healthy Environment, Healthy Economy and Healthy Organisation. The Shropshire Plan 2022-2025 | Shropshire Council
- Shropshire Destination Management Plan 2023-2025 Shropshire DMP 2022-25 FINAL DRAFT - Aug 2023.pdf
- Shropshire Council's A New Direction for Shropshire report September 2025 A New Direction for Shropshire September 2025

9. Conclusions

9.1. Declaration of a Local Nature Reserve at Eardington demonstrate a commitment by Shropshire Council to work with partners to secure our county's natural landscapes and environment.

9.2. There is an invitation for any councillors to be shown around the Reserve with officers and the Friends Group.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)	
Local Member:	***Councillor George Hollyhead (who supports the proposal)***

Appendices:

Appendix 1; Proposed Eardington LNR Natural England Consultation Report

Appendix 2; Letter of support (Tarmac)

Appendix 3; Letter of support (Natural England)

Contact: Andy Wilde andy.wilde@shropshire.gov.uk

PROPOSED EARDINGTON LOCAL NATURE RESERVE

CONSULTATION REPORT FOR NATURAL ENGLAND

Consultation with Natural England prior to designation by Shropshire Council of Eardington Nature Reserve as a Local Nature Reserve. This is a requirement set out in Section 21(6) of the 1949 National Parks & Access to the Countryside Act where a local authority shall exercise their functions in consultation with Natural England. The text for this consultation report is based on the checklist in Appendix 3 of Natural England *Local Nature Reserves in England: a guide to their selection and declaration* NE301 (2010).

Shropshire Council, tenants of Eardington Nature Reserve, wish to designate the nature reserve as a Local Nature Reserve (LNR). The nature reserve is owned by Tarmac who have leased the land to Shropshire Council for 99 years from 21 May 2013. Tarmac are supportive of the proposed LNR designation. The nature reserve has been managed by the Friends of Eardington Nature Reserve since 2013.

Eardington Nature Reserve (6.73 ha) lies close to Bridgnorth and the Severn Valley Country Park with the river Severn nearby to the east. The nature reserve supports a superb range of habitats including ponds, open mosaic habitat (bare ground, moss and lichen areas), species-rich grassland and secondary woodland that have all developed on what was a sand and gravel quarry that ceased operations in 1994 although the site contained a ready-mix concrete plant until 2010. There is also a small area of semi-natural deciduous woodland, unaffected by the quarrying operations, that is part of the extensive wooded corridor along the Mor Brook. Eardington Nature Reserve has been designated as a Local Wildlife Site. The nature reserve is managed by the Friends of Eardington Nature Reserve, who commit a large amount of voluntary time every year, together with expert technical input from Shropshire Council staff based at the Severn Valley Country Park. There is a small car park adjacent to the main road that is linked to surfaced paths and a section of Public Footpath together with very useful information boards. The Friends group maintains an excellent website with a range of up to date information including many records of animals, plants and fungi. Two detailed information leaflets on the website are available to be downloaded.

Shropshire Council believes that having environmental designations on its sites raises their profile with the public and can increase visitor usage and the health and wellbeing benefits this provides. Designation as a statutory Local Nature Reserve also provides protection for the nature conservation and recreation interests. Declaring Eardington Nature Reserve as a LNR will:

- Improve local quality of life, health and wellbeing.
- Create opportunities for education, enjoyment and recreation, helping attract visitors and preserve links with the local community and its past.
- Safeguard local ecosystem services – the benefits nature provides for people – such as reducing carbon in the atmosphere and absorbing surface water.
- Protect and enhance the natural heritage as a key part of building sustainable communities.
- Raise the nature conservation and recreation interest.
- Recognise of the wildlife and biodiversity value
- Recognise local community involvement
- Provide protection within the planning system from future built development.

In addition, LNR designation meets the following Shropshire Council strategic outcomes set out in the following Strategies:

- Shropshire's Great Outdoors 2018-2028 https://www.shropshire.gov.uk/media/10853/go-strategy-oct18-final2.pdf

- Shropshire’s Economic Growth Strategy 2022-2027. Developing the visitor economy, agricultural support post- Brexit, developing skills, improving Quality of Life and ensuring attractive environments. [Shropshire’s Economic Growth Strategy 2022-2027 | Shropshire Council]
- Shropshire’s Local Plan 2016-2038. Better planning of meaningful greenspace and non-motorised access, new destination country parks, protecting environmentally-sensitive sites. [Regulation 19: Pre-Submission Draft of the Shropshire Local Plan 2016 to 2038]
- Shropshire’s Joint Health and Wellbeing Strategy 2022-2027. Harnessing the power of the outdoors to increase physical activity, address mental health issues and help people stay independent for longer. [Joint Health and Wellbeing Strategy | Shropshire Council]
- Shropshire Local Transport Plan 2011-2026. Encouraging walking and cycling. [Local Transport Plan | Shropshire Council]
- The Shropshire Plan 2022-2025. This sets the context of delivering Healthy People, Healthy Environment, Healthy Economy and Healthy Organisation. [The Shropshire Plan 2022-2025 | Shropshire Council]
- Shropshire Destination Management Plan 2023-2025 [Shropshire DMP 2022-25 FINAL DRAFT - Aug 2023.pdf]

Site name
Eardington Nature Reserve

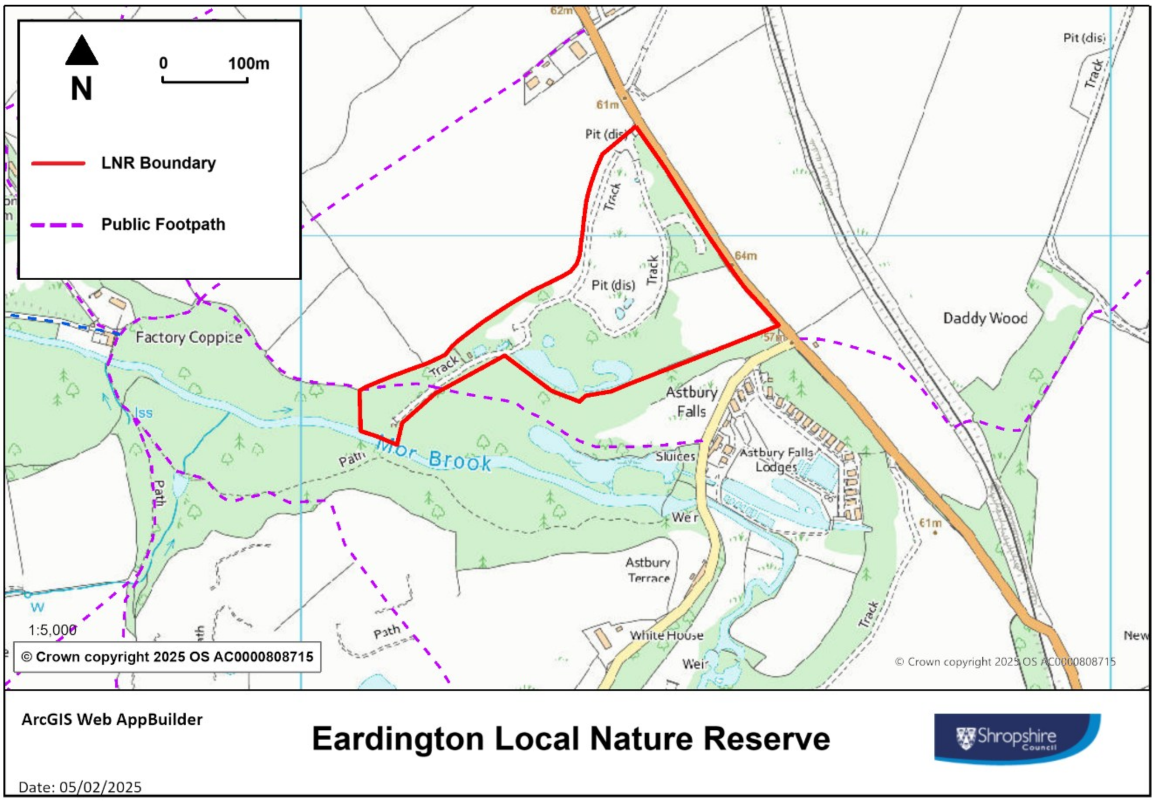
Parish, District and County
Eardington, Bridgnorth, Shropshire

Declaring authority
Shropshire Council

Area
6.73 ha

Map showing site location (Figure 1)

Map showing site boundary (Figure 2)



Site Ownership

Eardington Nature Reserve is owned by Tarmac who have leased the land to Shropshire Council for 99 years from 21 May 2013 (Appendix A). Clause 3c of the lease specifically refers to the land being managed "…as a public recreation area and or nature reserve…" not to include camping or caravanning.

The meeting on 9 January 2025 involving Graham Fyles (Tarmac, Estates Manager for entire mineral portfolio), Emanuel Skelton (Fisher German, agents for Tarmac), the Friends of Eardington Nature Reserve and Ed Andrews (Shropshire Council Parks and Countryside Sites Manager) considered the befits and implications of the proposed statutory LNR designation and Graham Fyles was supportive of nature conservation and the LNR proposal. Tarmac have confirmed their support for the proposed LNR designation (Appendix B).

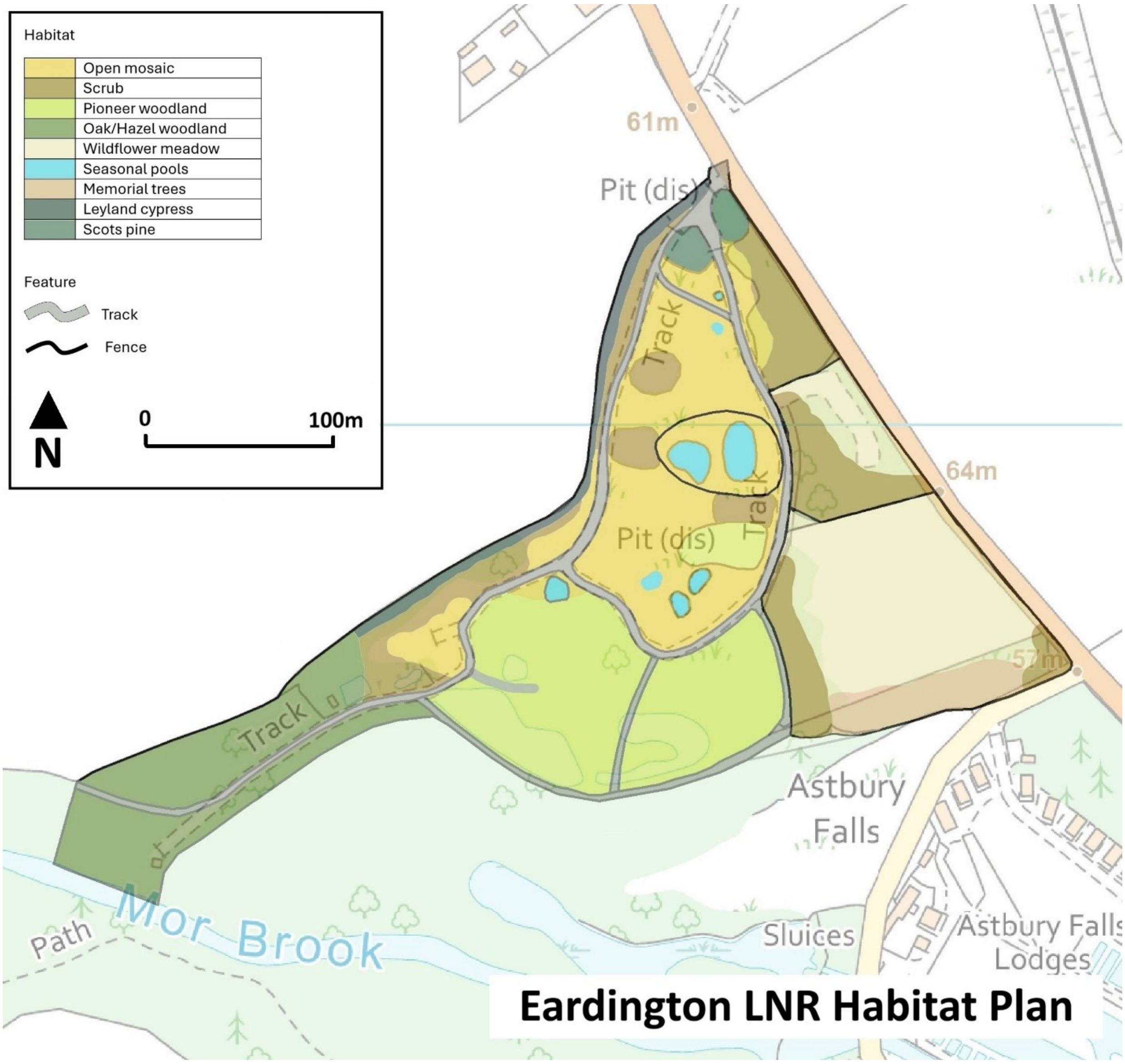
Description of the habitats and species of interest based on a full survey of habitat types

Habitats

Eardington Nature Reserve comprises an interesting complex of habitats (see Figure 3):

- Open mosaic habitat on previously developed land (around 2 ha in area)
- Open water - a complex of ponds set within the open mosaic habitat
- Lowland species-rich meadow (around 2 ha)
- Secondary woodland (around 2 ha)
- Broadleaved woodland (around 1 ha)

Figure 3 Eardington Nature Reserve habitat plan



Open mosaic habitat on previously developed land (see [description for UK Biodiversity Action Plan](#))
The habitat known as 'Open mosaic habitat on previously developed land' is around 2 ha in area and has developed through natural colonisation and succession on the bare sand and gravel left after the ready-mix concrete pant ceased operations in 2010 (Photo A). This is a very important feature of the nature reserve as such an extensive area of this habitat that is being maintained at the moss and lichen stage is unusual. There are a variety of ruderal plant species including wild strawberry, evening primrose, purple loosestrife and a few patches of bee orchid. The area is being encroached by birch which is generally controlled by annual hand-pulling and mowing.

Photo A. Open mosaic habitat (Photo: T. Langford)

There are areas of bare sand and very short vegetation on sand (Photos B and C) that are maintained by both rabbits and the volunteers as a 'bee village' for species such as the nationally scarce vernal colletes (or early colletes or spring mining-bee) and the ivy bee that was first recorded in the UK in 2001 and has now been found in much of southern England and Wales.

Photo B (left). Bare sand maintained by rabbits and volunteers (Photo: John Box)
Photo C (right). Mounds of vegetated sand with various slopes and aspects for solitary bees (Photo: John Box)

Several areas of rubble and debris have become overgrown providing shelter for invertebrates, reptiles and amphibians. The two artificial structures created as nesting sites for sand martins have not been used by these birds but are used by invertebrates including solitary bees.

Open water
There is a pond that has been present for many years. It proved to be unsuitable for two reasons: a) the pond drains freely (20-25 mm/day in summer) and readily dries up in fine weather and b) the pond is difficult to access for those with impaired mobility. Thus, a complex of six new ponds was excavated in 2016 (Photos D and E). Two of these were lined to provide a more reliable environment for breeding amphibians and dragonflies and damselflies. Four of these are interconnected with a clever system of drainage pipes where a short extension of the outflow pipe can be rotated from the upright position blocking the outflow to below the water level allowing water to flow to an alternative pond below, thus regulating water levels. To facilitate easy access, a low gradient, hard surface, path was constructed to the larger lined pond along with a post and rope handrail. Water is a scarce resource on the nature reserve as the soils are mainly sands and gravels. All the unlined ponds are seasonal and dry up in the summer.



Photo D (left). Interlinked seasonal ponds soon after construction (Photo: Ian Barrie)
Photo E (right). Volunteers installing liner for one of new ponds (Photo: Ian Barrie)

Lowland meadow
This grassland (around 2 ha) has developed on deeper, more nutrient-rich soils that are likely to have originated from topsoil cleared from the underlying sands and gravels at the start of quarrying. A wide variety of wildflowers and grasses have colonised the grassland area (Photo F) including yellow wort, reflecting the basic soils (pH 8) in this area. There are small populations of pyramidal orchid, southern marsh orchid, common spotted orchid and the occasional bee orchid. It is developing into a species-rich grassland and this will be helped by the regular cut&collect operation in September/October with disposal of the arisings on site ensuring that nutrients from the vegetation do not accumulate in the grassland area.

Photo F. Meadow with wildflowers (Photo: T. Langford)

Secondary woodland

There is well-developed birch woodland that has become established on the sands and gravels after the quarrying operations ceased in the mid 1990s. There is also some Scots pine and hazel. Alder and willows (mainly sallow) dominate in the damper areas where silts have accumulated in the former settling lagoons. Silt laden water from the sand and gravel washing process was pumped into the lagoons for drying.

The woodland at its northeastern edge is defined by a surfaced path that will limit birch encroachment into the open mosaic habitat. Its southwestern edge is the break of slope down to the Mor Brook. The extent of the secondary woodland reflects the sands and gravels revealed by soil stripping prior to the quarrying operations.

Broadleaved woodland

There is broadleaved woodland (around 1 ha) that is part of Factory Coppice and extends in a corridor from the western end of the nature reserve to the Mor Brook (Photo G). The woodland in the nature reserve has well-spaced mature oaks with many well grown hazel stools, some of which are large and multi-stemmed. Other tree species include ash, small-leaved lime and beech. This area of woodland contains several plant species that are indicators of ancient woodland but it is not defined as ancient woodland by Natural England (Multi Agency Geographical Information for the Countryside), probably because of lack of evidence when the ancient woodland assessments were being undertaken. It would appear from the presence of the mature oaks and the numerous well grown hazel stools that this area of woodland in the nature reserve was managed, together with the rest of Factory Coppice and the adjacent woodlands, from the 18th century as oak standards over hazel coppice. The hazel coppice would have been used to fuel the forges that converted pig iron from a blast furnace to wrought iron at the nearby Upper Forge and possibly also at Lower Forge on the bank of the river Severn. These two forges were connected by a canal or leat to the pool at Upper Forge that took water from the Mor Brook (Appendix C).


Photo G. Coppiced woodland and path to Mor Brook (Photo: T. Langford)

The woodland immediately adjacent to the Mor Brook is wet woodland with alder, willow, opposite-leaved golden saxifrage and thin-spiked wood-sedge.

Plants, animals and fungi

Formal surveys of the nature reserve, commissioned by Shropshire Council, were undertaken in 2006 and 2007 when habitats, vascular plants, bryophytes, lichens and invertebrates were covered (Appendix D).

Species recording has also taken place subsequently with visits to the nature reserve by experts, county recorders and county recording groups including Dan Wrench (vascular plants), Mark Lawley (bryophyes & lichens), Pete Boardman (invertebrates), Tony Jacques (moths), Les Hughes (fungi) and Peter Thompson (fungi).

The species list on the Friends of Eardington Nature Reserve contains current records for birds, butterflies and the other species groups are based on the 2006/2007 surveys together with subsequent records.

Priority species, also known as species of principal importance for the conservation of biodiversity or Section 41 species, for which there are records on the nature reserve in the last ten years include: great crested newt, slow-worm, soprano pipistrelle, cinnabar moth.

Vascular plants

Twenty of the plant species that have been recorded are axiophytes - these are notable indicator plants of habitat that is considered important for conservation, such as ancient woodlands, clear water and species-rich meadows (https://bsbi.org/axiophytes). The list of Shropshire axiopytes can be found at https://www.inaturalist.org/projects/axiophytes-of-shropshire?tab=about.

Mosses, lichens & bryophytes

The 2006 bryophyte survey recorded numerous species including the clay screw-moss (*Syntrichia amplexa)*, only recorded from a few British sites.

The 2006 lichen survey produced two new county records (*Caloplaca cerinelloides*, *Catillaria atomarioides*) and a new record for the West Midlands (*Verrucaria bulgarica*).

Birds

Eighty species of bird have been recorded at the reserve. The latest version of *Birds of Conservation Concern 5* lists fifteen of these in the Red List, with a further twenty one in the Amber List. Of those know to breed within the nature reserve, there are five on the Amber list and possibly one on the Red list (marsh tit). Notable Red List species include grasshopper warbler and spotted flycatcher, both of which are occasionally recorded on passage.

The Friends group also maintains and regularly monitors a set of over 40 nest boxes, with a few targetted specifically at rarer species: marsh tit, grey wagtail, tree sparrow and starling.

Little ringed plover, a species that can be associated with sand and gravel quarries and bare sands, gravels and open water, was recorded once in 2006 and is unlikely to return as natural colonisation and succession has changed the open areas of bare ground.

Mammals

A 2017 survey by a member of Shropshire Bat Group recorded common, soprano and Nathusius' pipistrelles on the nature reseve that are likely to be breeding locally. A variety of bat boxes were erected between 2014 and 2018.

There is good evidence that badgers use the nature reserve for foraging and the nearest setts are in the woodland close to but outside the southern boundary of the nature reserve.

Reptiles & amphibians

A good assemblage of reptiles and amphibians is present at the nature reserve: grass snake, slow-worm, great crested newt, smooth newt. Common toad has been recorded in the recent past but there are no records for common frog or common lizard.

Great crested newt has been recorded since 2014 in the two lined ponds and juvenile newts have been recorded frequently indicating a breeding population. This population will use the surrounding terrestrial habitats, especially the woodland, throughout much of the year.

Invertebrates

Twenty three species of butterfly are currently resident on the nature reserve and clouded yellow and painted lady are visiting migrants which are recorded in most years, although the numbers vary greatly. Given the abundance of wild strawberry, it is hoped to attract grizzled skipper. It is also hoped to attract white admiral whose food plant is honeysuckle and there is an established population some 3 km to the east. The modest population of honeysuckle was augmented by the volunteers when new hedgerows were planted in the winter of 2017/18.

Moth trapping is a regular feature at the nature reserve and over two hundred, mostly common, species, have been recorded among the larger moths (mainly under the supervision of the county moth recorder). Micro-moths are also present in large numbers.

Nineteen species of dragonfly and damselfly are currently resident on the nature reserve in addition to migrant hawker whose status is resident/migrant. Most of these species breed in or close to the two lined ponds. Two of the scarcer species are the brown hawker and black darter.

The invertebrate assemblage includes these notable species:

- Six-belted clearwing *(Bembecia ichneumoniformis)*, nationally scarce moth
- Vernal colletes (or early colletes or spring mining-bee) (*Colletes cunicularius*), recently downgraded from nationally rare to nationally scarce
- Lesne's earwig (*Forficula lesnei*), nationally scarce
- Fallen's leatherbug (*Arenocoris fallenii*), nationally scarce
- *Tachydromia smithi* and *T. connexa*, two nationally scarce hybotid flies
- *Cheilosia cyanocephala*, nationally scarce hoverfly
- *Hylaeus signatus*, nationally scarce solitary bee
- *Nomada flavopicta*, nationally scarce solitary bee

The invertebrate survey in 2006 & 2007 also recorded the following notable species: ● *Cerceris rybyensis* (Aculeate Hymenoptera: Digger wasp; Restricted) ● *Adonia variegata* Adonis Ladybird (Coleoptera: Ladybird; Local) ● *Antocha vitripennis* (Diptera: cranefly: Local, six Shropshire sites) ● *Phasia barbifrons* (Diptera: Parasitic fly; Local, 1st Shropshire record) ● *Phasia obesa* (Diptera: Parasitic fly; Local) ● *Phasia pusilla* (Diptera: Parasitic fly; Local) ● *Philantus triangulum* (Aculeate Hymenoptera: Bee Wolf; five Shropshire sites) ● *Symplecta hybrida* (Diptera: Cranefly; Local, 3rd Shropshire record) ● *Thecoptera atra* (Diptera: Thick-headed fly; Local).

Fungi
Sixteen of the long list of species recorded at Eardington Nature Reserve could be described as being rare with 50 or less records for Britain, but none are on the *Red Data List of Threatened British Fungi* maintained by the British Mycological Society and none are associated with a rare host.

A notable species is winter stalkball (*Tulostoma brumale*) that is also present on sandy habitats at Venus Pool near Shrewsbury. Rarely found inland in the UK, the most common of the stalkballs is an autumn and winter species found among moss or short grass mainly on sandy, alkaline soil in dune slacks just behind the first stable sand dune ridges.

Description of the value of the main natural and physical features on the site
Eardington Nature Reserve is almost wholly within the Eardington Nature Reserve Local Wildlife Site (Appendix E), one of around 700 in Shropshire. Part of the woodland at the southwestern end of the nature reserve as far as the Mor Brook is within the Cleedsmore LWS which includes Cleedsmore Coppice, part of Factory Coppice and the Mor Brook down to Upper Forge.

Eardington Nature Reserve is a very significant environmental resource in the Bridgnorth area. It is a former sand and gravel quarry that ceased operations in the mid-1990s. The site was then used as a ready-mixed concrete plant until 2010 when the site was finally closed.

The sand and gravel habitats that are undergoing natural colonisation and succession are a rare habitat in the modern countryside, particularly the areas of bare sand and the extensive area of open mosaic habitat of mosses and lichens. Ten species of solitary bee have been recorded, mainly in the specially constructed "Bee Village" where mason and miner bees dominate. There are particularly large populations of vernal colletes (or early colletes or spring mining-bee) that appear in April and the ivy bee that appear in September/October. Winter stalkball fungus is present on the sandy habitats; rarely found inland in the UK, this species is usually found among moss or short grass mainly on sandy, alkaline soil in dune slacks just behind the first stable sand dune ridges.

Description of the value of the site to schools (where appropriate), and the type and scale of current use. Other educational uses of the site.
There are no toilet facilities on the nature reserve and very little interaction with schools. The Friends group has supported youths involved in the volunteering aspects of the Duke of Edinburgh's Award.

See below for more detail about the facilities for the public.

Description of the value of the site as a place in which local people can enjoy contact with wildlife
Eardington Nature Reserve is a superb accessible natural greenspace and recreational site for people from the local area and from Bridgnorth that is nearby. The nature reserve is located adjacent to the B4555 about 450 m south of Eardington and 3 km south of Bridgnorth. There is open access for people of all ages and abilities to enjoy the great outdoors. The nature reserve is readily accessible to local residents living nearby and is on the bus route from Bridgnorth to Highley and just a short drive from Bridgnorth. Wildlife groups from further afield have also visited the reserve where Friends of Eardington Nature Reserve volunteers have acted as guides upon request.

Shropshire Council has an open access policy for all of its countryside sites. The Eardington Nature Reserve is open every day of the year for pedestrians. There are brown tourist signs for the nature reserve at the entrance to the car park from the main road and on the main road itself. There is a bus service between Bridgnorth to Stourbridge via Highley that stops at Eardington with a request stop at Eardington Nature Reserve. Eardington Halt on the nearby Severn Valley Railway from Bridgnorth to Kidderminster is not normally open to passengers and there is no direct footpath link from the platform to the nature reserve. The free car park off the B4555 is available all year round and the gate to the car park is opened at 9 am and locked at 6 pm in summer and 4 pm in winter. The car park is well provided with information boards, holders for paper copies of the two nature reserve leaflets, and two rubbish bins.

Pedestrian access to the reserve is through wheelchair-friendly kissing gates. A RADAR key is required to open the larger inner gate foreasier access for users of wheelchairs and mobility scooters. These are readily available online and from a wide range of shops and other businesses. These kissing gates are not big enough to accept the latest large mobility scooters. There are good surfaced paths and tracks within the nature reserve and a wheelchair-friendly bird hide in the secondary woodland. There are no toilets on the site but many facilities are available in Bridgnorth which is 3 km away by road or at the visitor centre at the Severn Valley Country Park which is some 12 km by road to the south and is owned and managed by Shropshire Council. Visitors are encouraged to take litter home with them and two litter bins are provided on the nature reserve. No dogs are allowed on the nature reserve between 1st March and 31st August to prevent disturbance to wildlife including ground-nesting birds; at all other times, dogs should be on leads.

There is a walkway and viewing platform on the original pond (Photo H). The bird hide is in the secondary woodland with an open clearing, a small pond that is connected by a pipe to the roof gutter, and bird feeders that are regularly checked. There are a number of information boards on the nature reserve (Photo I) and six more will be installed in 2025 that are linked to the industrial heritage trail.

Photo H. Main pond with walkway and viewing platform (Photo: Ian Barrie)

Photo I. Information board for the solitary bee village (Photo: John Box)

Two superb illustrated leaflets about the nature reserve can be downloaded from PDF files on the home page of the [Friends of Eardington Nature Reserve website](): [*Eardington Nature Reserve*]() and [*Industrial Heritage Trail*](). There is also a trail and leaflet to help children engage with nature at the reserve. [*Rub along with Nature*]() features eight posts with wildlife-themed rubbing plaques located in appropriate habitats around the site. Copies of all three leaflets are available in weatherproof containers at the reserve car park.

Public Footpath 0123/39/1 crosses the woodland corridor at the western end of the nature reserve. It runs westwards starting from the road from Upper Forge to the Astbury Golf Club and through the woodland adjacent to the Mor Brook (Figure 2). The Public Footpaths on and around the nature reserve can be seen on the Shropshire Council Definitive Map of public rights of way.

Eardington Nature Reserve contributes to the local delivery of the national Green Infrastructure Standards for England (Natural England, 2023). The nature reserve meets the accessible greenspace standard for a doorstep natural greenspace of 0.5 ha within 200 m and for a local natural greenspace of 2 ha within 300 m for the residents living nearby and for a neighbourhood natural greenspace of 10 ha within 1 km for the residents of the village of Eardington (450 m away).

The features and values of the site in the context of the local authority area

Eardington Nature Reserve lies approximately 1 km in a direct line to the west of the river Severn. The nature reserve is adjacent to the magnificent series of ancient semi-natural woodlands and ancient replanted woodlands that extend along the Mor Brook northwestwards from Factory Coppice, part of which is in the nature reserve, to Cleedsmore Coppice, Uplands Coppice, Newfoundwell Coppice and Thatchers Wood & Westwood Covert SSSI (Multi Agency Geographical Information for the Countryside).

The nature reserve lies some 7 km in a direct line to the northwest of the Severn Valley Country Park, which is a superb 50 ha site that is owned and managed by Shropshire Council with a complex of paths, trails and a visitor centre, and some 3 km to the north of Chelmarsh Reservoir, which is a 40 ha reservoir owned by South Staffs Water that is a notable birdwatching site with a nature reserve.

Outline of past uses of the site

Eardington Nature Reserve is a former sand and gravel quarry that started in the late 1930s and ceased operations in the mid-1990s. The site was then used as a ready-mixed concrete plant until 2010 when the site was finally closed. The nature reserve is a wildlife hotspot.

The nature reserve has an interesting geomorphological history. Bridgnorth is situated at the limit of the last ice sheet to occupy the region, during the Late Devensian (approximately 30-17,000 years ago). This ice sheet originated in the Irish Sea basin and meltwater from the snout of the glacier laid down sands and gravels in a landform known as an alluvial fan where the Mor Brook tributary joins the Severn Valley at Eardington. Glacial deposits have also been recorded at the site and are intimately associated with the meltwater deposits and indicate that the glacier moved back and forward across this area. The glacial and meltwater sediments were deposited over other riverine deposits of the river Severn (known as the Holt Heath Member by the British Geological Survey). In total, the deposits quarried at Eardington comprised around 10 m of sand and gravel whose surface is around 30 m above the present river.

An illustrated leaflet about the industrial past of the nature reserve called the *Industrial Heritage Trail* can be downloaded from the home page of the Friends of Eardington Nature Reserve website.

Any known constraints on management of the site, for example soil toxicity, wayleaves, tenancies, rights of common, mineral rights separately owned
The public footpath that that starts from the road from Upper Forge to Astbury runs through the woodland adjacent to the Mor Brook and crosses the narrow western end of the nature reserve (Figure 2).

There is a 33 kV electricity line that runs northeast/southwest along the northern edge of the nature reserve. The eastern section from the car park and the main road is underground, probably because this was adjacent to the sand and gravel quarry and an operational hazard. The overhead line passes along the woodland corridor at the western end of the nature reserve and across the Mor Brook. The wayleave under the electricity line is currently with National Grid Electricity Distribution after the recent purchase of Western Power Distribution by National Grid.

There is not expected to be soil toxicity nor pollution. The previous landuse was a sand and gravel quarry that ceased in the mid 1990s. The site was used as a ready-mixed concrete plant until 2010 when the site was finally closed.

Tarmac holds the mineral rights.

Purpose of formal declaration as an LNR
Eardington Nature Reserve is proposed as a Local Nature Reserve as described by Section 15 of the National Parks and Access to the Countryside Act 1949 (as amended). The nature reserve is managed for nature conservation and for preserving its characteristic flora and fauna. The nature reserve is also managed for informal recreational purposes without compromising its nature conservation value by providing opportunities for the public to enjoy nature and for open-air recreation.

Eardington Nature Reserve meets the recommendations by Natural England for Local Nature Reserves (page 7, *Local Nature Reserves in England: a guide to their selection and declaration*, 2010) because the site is of high natural interest locally, of high value locally for environmental education, and of high value locally for the enjoyment of nature by the public.

Outline management policies/objectives/prescriptions, including access
The original management plan for Eardington Nature Reserve outlined the first five years of management tasks that are now largely completed. Key outcomes included: creation of a secure car park and vehicular access to the site; creation of an accessible path around the nature reserve; construction of a bird hide and bird feeding area in the secondary woodland area; creation of more wetland areas; construction of an access platform next to the original wetland area; creation of a bee village including scrapes to encourage solitary bees.

The current management plan for the nature reserve *Eardington Nature Reserve Managent Plan 2021-2026* (Appendix F) prepared by Ed Andrews of Shropshire Council and the Friends of EaArdington Nature Reserve plan is reviewed annually and sets out the eight objectives for improvements to the biodiversity value of the site and for encouraging appreciation and quiet recreational use by both locals and visitors to the area:

1. Cut back encroachment of birch, bramble and scrub in the open ground and grassland areas. To prevent encroachment of scrub/birch/bramble into grassland and open ground habitats and maintain these important habitats at a suitable level for optimum biodiversity. Scrub and bramble cover should be reduced to around 5% and should be cut back to the edges of the birch stands and maintained as such. Scrub and birch cover

should be reduced to 15% in the open ground habitat and again cut back to the edges of the birch stands and maintained as such.

2. Create new ponds and a varied topography in the central area to encourage wetland plants, invertebrates and newts. To enhance and enlarge the area of wetland habitat in the central area of the site for the benefit of Great Crested Newt and aquatic flora and fauna. All pond creation works must take place between November and January to avoid great crested newt activity.
3. Instigate a mowing/strimming regime to manage the grassland area for flowering plants and look at the possibility of introducing some grazing. To maintain this lowland meadow habitat in a condition to maximise biodiversity, with particular focus on flowering plants and insects. Mow or strim in late June to August using hand tools or mechanical strimmer, varying the cutting height and frequency throughout the area to create a patchwork effect. Adopt some kind of rotational pattern to vary the degree of cutting that each area receives each year.
4. Removal of non-native tree species, and possible replacement with native species. Removal of non-native species, particularly conifers from around the site. These are mostly in the fence line area. Replanting of native boundary species to replace them and provide habitat for native species. Suitable substitute trees/hedges might include hawthorn, blackthorn, holly, hazel and guelder rose.
5. Thinning and glade creation in the birch woodland, ensuring that mature trees and dead wood are left.
6. Creation of earth/sand banks for invertebrates and clearance of vegetation from suitable existing sites. Felling of two Scots Pines that currently overshadow an existing bank. To create exposed banks of earth or sand for the benefit of insects (and potentially basking reptiles).
7. Creation of sand martin bank in the central open area (must be south-facing).
8. Provision of bird, bat and/or dormouse nest boxes. Maybe bird-feeding station. To provide encouragement for nesting bird species, and provide viewing opportunities for the public. Also enables monitoring of bird species.

Outline of capital and revenue costs in first year

Grants were awarded to help create Eardington Nature Reserve. SITA, the waste management compsany, provided £20,000 for key habitat management works on site. Shropshire Council created the car park and installed fencing and vehicle bollards.

The Friends of Eardington Nature Reserve were awarded £1,500 from the Shroshire Council Local Joint Committee for Bridgnorth, Worfield, Alveley and Claverley funding to help with fencing and signage. Subsequent grants have included Postcode Local Trust funding to plant trees, improve access and create new wetland areas.

The future management of the nature reserve will be dependent upon Shropshire Council funding (through the southern parks and countryside budget) and grant funding awarded to Shropshire Council and the Friends of Eardington Nature Reserve.

The current management plan for the nature reserve *Eardington Nature Reserve Managent Plan 2021-2026* (Appendix F) provides a guide to rough costings of habitat management and site improvements works in Section 7.

Staffing

There are no site-specific staff associated with Eardington Nature Reserve.

Volunteers from the Friends of Eardington Nature Reserve provide almost 1,000 hours of assistance each year with a wide range of contributions. There are teams of volunteers that open and close the gate to the car park and that maintain the bird hide and bird feeders. Volunteers undertake a wide range of practical habitat management works and the maintenance of fences, the bird hide and bird boxes, the footpaths and gates.

Shropshire Council staff (the Ranger team) based at the Severn Valley Country Park undertake the annual cut & collect grass cutting and tree works as required. The Ranger team and the Friends of Eardington Nature Reserve organise regular work parties for habitat management and site improvement works from October through to March. There are two each month, alternating between council led and Friends of Eardington Nature Reserve led. There are additional, less frequent, Friends of Eardington Nature Reserve work parties in the summer months, totalling between three and five each year, with Council rangers contributing when necessary. Volunteers for the work parties are under the supervision of Shropshire Council rangers or experienced members of the Friends group. Tasks vary according to the season but include monitoring nest boxes, monitoring pond hydrology, woodland management, scrub clearance, environmental and habitat improvements, and maintenance of footpaths and gates. There is a secure shipping container that contains hand tools and other equipment and materials.

Shropshire Council update the formal risk Assessment for Eardington nature reserve annually in January. The current risk assessment is attached (Appendix G).

Shropshire Council staff from the nearby Severn Valley Country Park provide detailed advice and have obtained two major grants to upgrade the structure and facilities of the nature reserve.

Links with voluntary nature conservation bodies and site users

The Shropshire's Great Outdoors website has detailed information about Eardington Nature Reserve. The Friends of Eardington Nature Reserve have a good website with a wealth of information including contact details and keep an ongoing lookout for new members.

Eardington Parish Council were a key partner in establishing the nature reserve and have been informed about the proposed LNR which was raised at the Parish Council meeting in January 2025 where many complimentary remarks were made about the nature reserve.

The Friends group used Community Pay-Back teams from the Probation Service, mainly between 2014 and 2019 to help with the formation of the main tracks and selective woodland clearance.

The Friends group maintains informal links with the Shropshire Wildlife Trust, which is happy to provide information and support when needed. Several of our members are also SWT members.

The nature reserve has been visited by expert groups for fungi, moths and invertebrates led by County recorders.

List of Appendices

Appendix A Lease from Tarmac to Shropshire Council for 99 years from 21 May 2013.

Appendix B Letter of support from Tarmac for proposed LNR designation.

Appendix C Poyner (2017) Eardington Forge – Background History and Archaeology*, Below!, Quartely Journal of the Shropshire Caving & Mining Club,* Winter issue 2017.4, pages 19-23.

Appendix D *Shropshire Quarries: Positive Action for the Future. Biodiversity surveys of Eardington Plant site 2006-2007.*

Appendix E Eardington Nature Reserve Local Wildlife Site citation, proposal, boundary.

Appendix F *Eardington Nature Reserve Managment Plan 2021-2026.*

Appendix G Risk Assessment for Eardington Nature Reserve prepared by Shropshire Council, January 2025.

Ref: TARMAC/0001/2025

Edward Andrews, MSc
Shropshire Council
Parks and Countryside Sites manager

05 March 2025

Dear Colleague

Tarmac is the Owner of the Erdington Nature Reserve which is in long term Lease to Shropshire County Council and is managed on a day-to-day basis by the Friends of Erdington Nature Reserve (FENR) with the support of J Box.

Under this management regime the nature reserve has not only become well established but has flourished with residents taking great pride in the site. The quality and diversity of the Nature Reserve is such that it is felt that this should be recognised and given greater protection with a “Local Nature Reserve” designation.

Tarmac is fully supportive of the proposed designation as a Local Nature Reserve with the protection this will provide and are confident that the site will continue to go from strength to strength.

Yours sincerely

Grahame Fyles
National Minerals asset Manager

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Tarmac Cement Limited Registered in England and Wales. Company No. 66558
Tarmac Services Limited Registered in England and Wales. Company No. 8197397
Registered address for all companies: **Ground Floor T3 Trinity Park Bickenhill Lane Birmingham B37 7ES**

TARMAC.COM

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28th March 2025 Our ref: Your ref:	NATURAL ENGLAND
E-mail Only Mr Edward Andrews, MSc, Parks and Countryside Sites Manager Shropshire Council	**West Midlands - Area Delivery Team** Hafren House Welshpool Road Shelton Shrewsbury SY3 8BB T 0208 0261 280 F

Dear Mr Andrews,

PROPOSAL TO DECLARE EARDINGTON NATURE RESERVE AS A LOCAL NATURE RESERVE

I am writing regarding the proposal to declare Eardington Nature Reserve a Local Nature Reserve (LNR) under the National Parks and Access to the Countryside Act 1949 (as amended).

Natural England's purpose is to conserve and enhance the natural environment for its intrinsic value, the wellbeing and enjoyment of people and the economic prosperity that it brings. Eardington Nature Reserve, managed according to the management plan is of value to both local wildlife and the local community. As such, Natural England is delighted to support the declaration of the site as an LNR. Protecting this site and its habitats will allow it to continue to be used and valued by local people for recreation and enjoyment of the natural environment.

Shropshire Council will need to seek their own legal advice to whether the lease agreement with Tarmac meets the legal interest in the land required by a local authority to declare Eardington Nature Reserve an LNR under the National Parks and Countryside Act 1949.

Natural England confirms that it has been consulted on your proposal to declare Eardington Nature Reserve a nature reserve under the provisions of Sections 19 and 21 of the National Parks and Access to the Countryside Act 1949 (as amended). The requirements for consultation contained in Section 21(6) of that Act have therefore been met. As a member of the West Midlands Local Delivery Team, I would like to formally welcome these proposals on behalf of Natural England.

The next step is for Shropshire Council to make the necessary arrangements for the formal declaration of the reserve. This can be limited to the issuing of public notices or can be extended to include an event to celebrate the declaration.

Once the declaration is complete, we will need confirmation of the declaration date, and a copy of the declaration papers and a map showing the exact boundaries of the declared area. The site will also be promoted through Natural England's internet site finder. To ensure our records are up to date, I would be grateful if you could also complete and return to me the attached Local Nature Reserve Fact Sheet once the site has been declared.

If you are unsure about any part of the declaration process, please contact me using the details below.

Yours faithfully,

Peter Loat
West Midlands Local Delivery Team
peter.w.loat@naturalengland.org.uk

Cabinet | 11th February

Item

Public

Town and Parish Councils Asset Transfer Policy and Process

Responsible Officer:	Steve Law		
email:	toni.godolphin@shropshire.gov.uk Steve.law@shropshire.gov.uk	Tel:	01743 25 0929 01743 25 1017
Cabinet Member (Portfolio Holder):	Councillor Roger Evans Councillor Alex Wagner		

1. Synopsis

The policy enables Shropshire Council to transfer assets to Town and Parish Councils, empowering local decision-making, ensuring community benefit, robust governance, and sustainable management, while supporting council priorities and financial resilience.

2. Executive Summary

Shropshire Council's Town and Parish Council Asset Transfer Policy sets out a clear framework for transferring suitable council-owned assets such as land, buildings, and facilities, to Town and Parish Councils. The policy aims to empower local communities, strengthen decision-making, and ensure sustainable management of public assets. It outlines transparent principles, eligibility criteria, and a structured five-step process, from initial expression of interest through assessment, approval, legal transfer, and appeals. Oversight is provided by an appropriate structure, delegated decision making and an assessment process, with a preference for long-term leasehold transfers and robust support for applicants throughout the process. The policy ensures that asset transfers deliver ongoing community benefit, align with council priorities, and are underpinned by strong governance and monitoring arrangements.

3. Recommendations

3.1. It is recommended that Cabinet approve the Town and Parish Council Asset Transfer Policy, as it provides a transparent and structured framework for transferring suitable council owned assets to Town and Parish councils. (Please see appendix 1 – Town and Parish Council Asset Transfer policy)

3.2. Delegate to Head of Property and Development, in consultation with the portfolio holders' for Finance and Communities, to authorise the transfer of land and property, in accordance with the policy as set out in 3.1.

Report

4. Risk Assessment and Opportunities Appraisal

4.1 Capacity and Sustainability Risk: There is a risk that some Town or Parish Councils may lack the necessary, expertise, financial or operational resources to manage transferred assets effectively, potentially leading to associated service decline or asset deterioration.

4.2 Governance and Accountability Risk: If governance arrangements are not robust or consistently applied, there is a risk of inadequate oversight, inconsistent decision-making, or insufficient reporting on asset use and community benefit.

4.3 Community Benefit Risk: Transfers must demonstrate ongoing community benefit. If this is not clearly evidenced or monitored, there is a risk that assets may not deliver the intended value to local residents.

4.4 Strategic Alignment Risk: Assets transferred without clear alignment to council priorities or local plans may undermine broader strategic objectives or result in fragmented service delivery.

4.5 Legal and Compliance Risk: Inadequate legal agreements or unclear terms of reference could expose both the Council and recipient bodies to legal disputes or non-compliance with statutory requirements.

4.6 Preference for Leasehold Risk: The policy's preference for leasehold (typically 99 years) over freehold may deter some councils or create uncertainty, especially where long-term investment is needed. Exceptional freehold transfers require Cabinet approval, which may delay or complicate some transfers.

4.7 Stakeholder Engagement Risk: Insufficient involvement of stakeholders, including local members and service leads, could result in missed issues or lack of local support for transfers.

4.8 Risk Table

Key Risks and Mitigation Strategies

Risk	Mitigation

Capacity and Sustainability	Require detailed business cases and financial assessments at the application stage; provide pre-application support and guidance; include ongoing monitoring and annual reporting requirements to identify issues early.
Governance and Accountability	Establish a formal Asset Transfer Board with clear terms of reference; ensure monthly reporting to Cabinet; define governance arrangements in legal agreements.
Community Benefit	Mandate clear demonstration of community benefit in applications; ensuring community and stakeholder engagement within the transfer process; set measurable outcomes and require regular reporting on community impact.
Strategic Alignment	Align asset transfer decisions with corporate priorities and local plans; require strategic fit to be evidenced in the application and assessed by the Board.
Legal and Compliance	Use standardised legal agreements and templates; involve legal and policy officers in drafting and review; clarify terms of reference at the EOI stage.
Preference for Leasehold	Clearly communicate the rationale for leasehold preference; provide guidance on exceptions and the process for Cabinet approval of freehold transfers.
Stakeholder Engagement	Require stakeholder consultation as part of the suitability assessment; involve local members and service leads in decision-making.

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. This policy supports Shropshire Council's financial sustainability by enabling the transfer of suitable assets to Town and Parish Councils, thereby reducing the Council's ongoing maintenance, operational, and management costs for land, buildings, and facilities that are no longer strategic to its core services.

5.3. By devolving responsibility for these assets, the Council can focus resources on statutory and priority services, while ensuring that transferred assets continue to deliver value for local communities.

5.4. The structured process, preference for leasehold arrangements, and robust governance also help safeguard public assets and minimise financial risk, contributing to more efficient use of council funds and long-term budgetary resilience.

6. Climate Change Appraisal

6.1. This policy can play a positive role in supporting our climate change strategy, by enabling Town and Parish Councils to take direct responsibility for local assets, allowing them to implement environmentally sustainable practices, draw down funding to support reducing emissions and energy usage, tailored to their communities.

7. Background

7.1 The policy aligns with the new administration's priorities and has been developed in collaboration with the Portfolio Holders for both Finance and Communities.

7.2 The policy sets out the governance and structure consisting of an Asset Board made up of a small group of officers and members. This is not a formally constituted committee and will only be able to make recommendations to the Head of Property and Development for consideration and the final decision. This is in accordance with the recommendations set out in section 3

7.3 The transfer of assets to Town and Parish Councils demonstrates Shropshire Council's commitment to localism and community empowerment, allowing decisions to be made closer to the communities affected.

7.4 The approach complements the Community Asset Transfer framework and aligns with the principles of the Localism Act.

7.5 Historically, assets were managed centrally, but devolving responsibilities enables more responsive and tailored local management.

7.6 Local councils are better placed to reflect community priorities, strengthening local democracy, accountability, and service resilience.

7.7 Asset transfers help ensure efficient management, sustained community benefit, and alignment with both local aspirations and the Council's strategic objectives.

7.8 Transferring suitable assets enables Shropshire Council to focus on core statutory functions while empowering Town and Parish Councils to innovate, invest, and manage resources for long-term community benefit.

7.9 The policy delivers clear eligibility criteria, a preference for leasehold arrangements, and robust governance and monitoring.

7.10 It minimises financial and operational risks while maximising community benefit.

7.11 Approval of the policy confirms the Council's commitment to localism, responsible stewardship, and continuous improvement that provides long-term value for residents and the organisation.

8. Conclusions

8.1. Approval of this policy by Cabinet will enable Shropshire Council to empower local communities, enhance service delivery, and ensure the sustainable management of public assets. The policy provides a transparent, structured framework for asset transfers, with robust governance, clear eligibility criteria, and ongoing monitoring to safeguard community benefit and council interests.

8.2. By prioritising leasehold arrangements and supporting applicants throughout the process, the policy minimises financial and operational risks while aligning asset transfers with strategic objectives.

8.3. Endorsing this policy demonstrates the Council's commitment to continuous improvement, localism, and responsible stewardship, delivering long-term value for residents and the organisation.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member:	All

Appendices [Please list the titles of Appendices]

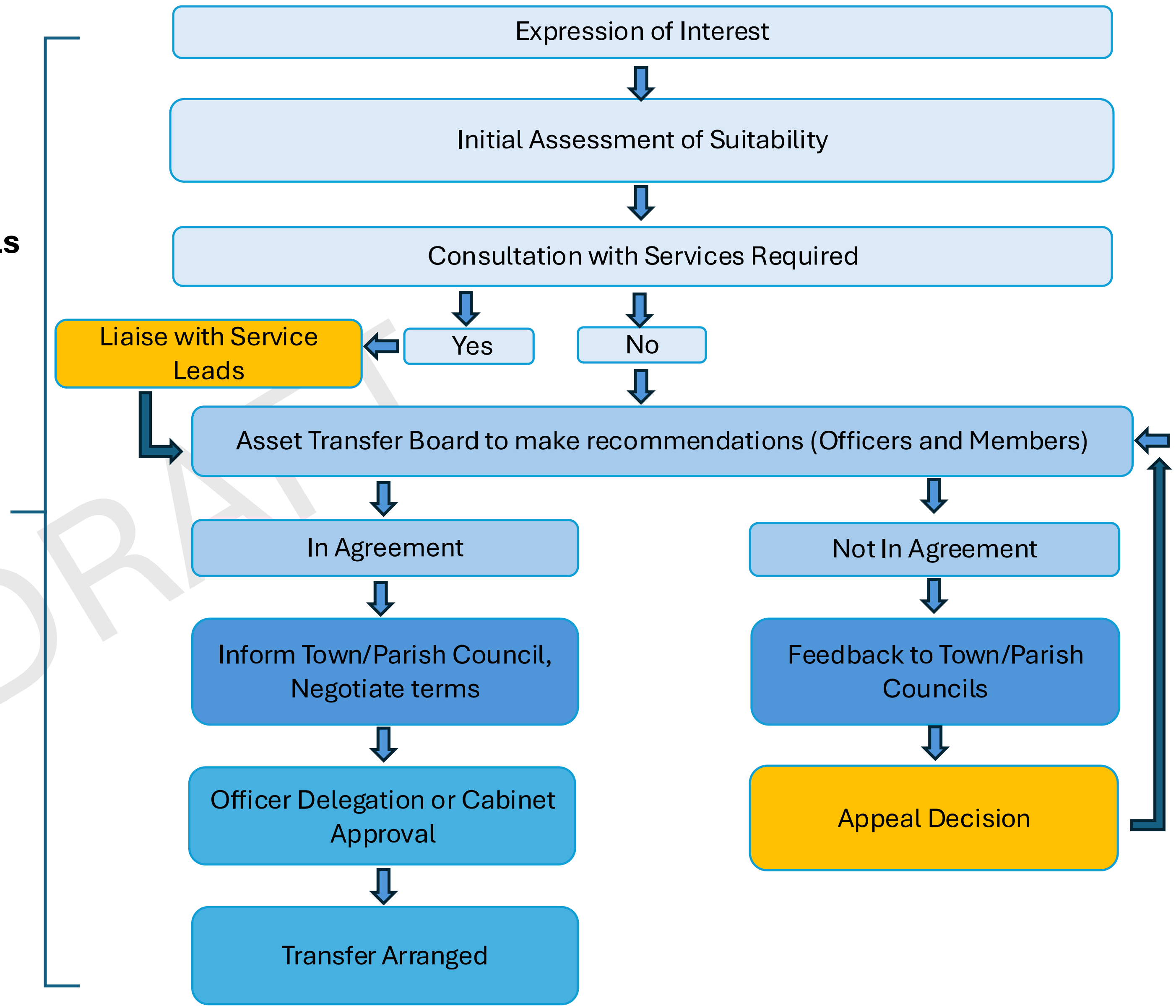
1. **Town and Parish Council Asset Transfer Policy**
2. **Process map**

Asset Transfer to Town and Parish Councils

This process allows for the devolution of control and resources, enabling Town and Parish councils to meet local needs and achieve local visions for the future in ways that may be more efficient and effective than the larger council.

If a Town/Parish Council express an interest in an asset and would be suitable to consider as a transfer, we would provide a Property Information Sheet.

Town/Parish Council must be able to demonstrate the need within their community and a small business case is required to show the intended use to benefit the community.



Expression of Interest

Town/Parish councils complete an Expression of Interest, available via Shropshire Council website

Officer to confirm receipt and provide Property Information sheet, detailing:

- Cost of maintaining asset (if known)
- Number of years SC would consider leasing (99 years – 125 yrs as standard or shorter dependent on circumstance)
- Condition of asset (in current financial emergency, condition reports will not be produced)
- Estimated Market Value of asset (if known)
- Operational Costs
- Current use of the asset including Shropshire council service delivery
- Contracts/Covenants in place

Should the Town/Parish council wish to formally apply for a transfer, they will be requested to submit a business case to help inform Asset Transfer Board. To include viability, capacity, community groups who would benefit etc.

Who:

- Town and Parish Council Asset Transfer Lead (Shropshire Council Officer)
- Town/Parish council representative

Shropshire Council

Initial Assessment of Suitability

Officer to review business case alongside Property Information Sheet. Initial discussion of position with Asset Manager and Head of Service.
Engage with relevant officers and Local members.

The Property Information sheet , becomes the Asset Transfer Board review document, all information recorded in one place and no need for supplementary documentation to be created.

Who:

- Town and Parish Council Asset Transfer Lead (Shropshire Council Officer)
- Shropshire Council Officers such as Department Heads, Service Managers, Finance and Estates
- Local Member

Shropshire Council

Consultation with Services Required

Yes

This will open a separate process. The process will require discussion and agreement between relevant officers and members.*
Refer to Town & Parishes Operations Board.

No

Continue on to Asset Transfer Board

DRAFT

*It was agreed during the meeting on 14th November with members and officers that this remains outside the asset transfer process for now.

Asset Transfer Board to make recommendations (Officers and Members)

Asset Transfer Board to meet monthly unless otherwise agreed, via teams or in person.

Each asset being presented to have a Property Information sheet attached and business case from Town/Parish Council

Report will show approved or reject with any comments.

Who:

- Town and Parish Council Asset Transfer Lead (Shropshire Council Officer)
- Shropshire Council Officers
- Members

In Agreement

Not In Agreement

Officer to confirm with Town/Parish Council decision and begin transfer agreements.
Directorates involved with asset to be informed at this stage.
Senior officer/s with delegation to consider transfer.
Prepare cabinet report to ensure full transparency if required.

Officer to inform Town/Parish Council of decision and allow them to resubmit information to a future meeting.
Inform all directorates involved.

Who:

- Town and Parish Council Asset Transfer Lead (Shropshire Council Officer)
- Shropshire Council Officers
- Members
- Town/Parish council representative

Officer Delegation or Cabinet Approval

Delegate to Head of Property and Development.
Cabinet Report to be written and submitted

Transfer Arranged

Following Cabinet approval or delegated decision, officer to deploy existing operational process for asset transfer, co-ordinating with departments such as Estates, Asset Management, Legal & Democratic, Finance and relevant services.

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Town and Parish Council Asset Transfer Policy

Introduction

Shropshire Council is committed to empowering local communities by devolving suitable assets, land and buildings to Town and Parish Councils. This policy is tailored for Town and Parish Councils as democratically elected local bodies. This Asset Transfer Policy provides a robust framework for structured decision-making, applicant support, and governance oversight. This document provides the process for an asset transfer.

Policy Statement

Shropshire Council recognises the value of transferring assets to Town and Parish Councils to strengthen local decision-making, enhance service delivery, and foster sustainable communities. Asset transfers will be considered where it delivers clear benefits to residents, aligns with strategic objectives, and ensures effective stewardship of public assets. The policy will be reviewed annually, reflecting Shropshire Council's commitment to continuous improvement.

Scope

This policy applies exclusively to the transfer of council-owned assets to Town and Parish Councils. Transfers to other community groups are governed by the broader Community Asset transfer policy. The process covers all types of assets, including land, buildings, and facilities, except those required for core statutory services or identified as strategic to the Council's operations.

Principles

- **Transparency:** All stages of the process are open and documented.
- **Community Benefit:** Transfers must demonstrate clear, ongoing benefit to the local community.
- **Sustainability:** Town and Parish Councils must show capacity and resources to manage the asset.
- **Accountability:** Governance arrangements must ensure responsible management and reporting.
- **Alignment with Strategic Objectives:** Transfers must support the Council's corporate priorities and local plans.
- **Structured Decision-Making:** A formal Asset transfer Board with officer and member representation, to oversee requests and ensures consistency. Reporting monthly to Shropshire Council Cabinet to ensure transparency.
- **Leasehold/Freehold Transfers:** Leasehold is the preferred option, 99 years unless otherwise agreed. Freehold transfers are restricted to exceptional cases, requiring Cabinet sign-off.
- **Applicant Support:** Named contact assigned to support applicants throughout the process.
- **Terms of Reference:** agreed at EOI stage to aid business case development.
- **Ongoing Monitoring:** Clearly defined reporting requirements in agreements.
- **Online Guidance and Templates:** Provision of online guidance and EOI on Shropshire Council website and can also be emailed.

Eligibility

- Be a legally constituted Town or Parish Council within Shropshire.
- Demonstrate community need and benefit.
- Show capacity for asset management, including financial and operational resources.
- Commit to ongoing monitoring and reporting as required by the Council.

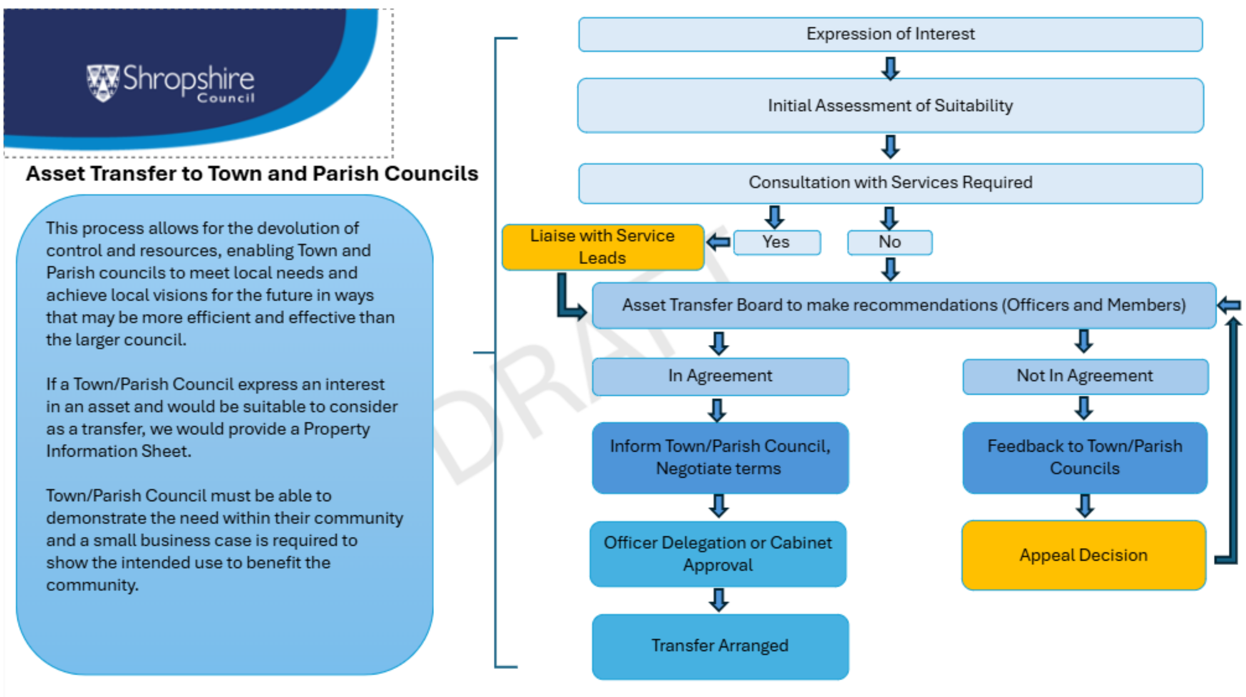
The Transfer Process

Step	Description
Step 1 Pre-Application Support & Expression of Interest (EOI)	Online guidance, named contact, submit EOI, property info sheet and draft Terms of reference
Step 2 Suitability Assessment	Review, liaise, stakeholder involvement, eligibility check, local member views. Other service involvement
Step 3 Decision & Approval	Head of Property & Development in consultation with Portfolio Holders/Asset Transfer Board review, Cabinet for information, early Heads of Terms.
Step 4 Finalisation & Monitoring	Legal transfer, annual reporting
Step 5 Appeals & Resubmission	Clear route for appeals and resubmissions.

Governance

The Asset Transfer Board provides oversight, ensures consistency, and monitors delivery. Governance arrangements are in place, including a formal Devolution Board comprising Cabinet Members and senior officers from relevant departments (Policy, Property, Legal, Finance, and service leads), in which will support the wider services devolution.

Process Flowchart



Appendix 1: - Process presentation

Cabinet | 11th February, 2026

Item

Public

Healthy People | Healthy Economy | Healthy Environment | Healthy Organisation

Application by Oswestry Town Council for Oswestry Parish to be considered as a Neighbourhood Area

Responsible Officer:	Rosie Corner Eddie West		
email:	Rosie.Corner@shropshire.gov.uk Edward.West@shropshire.gov.uk	Tel:	01743 256 442 01743 254 617
Cabinet Member (Portfolio Holder):	Councillor David Walker		

1. Synopsis

This report seeks approval for the application by Oswestry Town Council for the Parish area of Oswestry to be considered as a Neighbourhood Area for the purposes of preparing a Neighbourhood Development Plan.

2. Executive Summary

2.1. It is Shropshire Council's role to decide if the proposed Neighbourhood Area, in this case, the area covered by Oswestry Council, is an appropriate area for the purposes of preparing a Neighbourhood Development Plan (referred to in this report as the 'Neighbourhood Plan'). The recommendation focuses solely on the extent of the area to be used in the preparation of the proposed Neighbourhood Plan. This recommendation does not deal with the proposed content of the Neighbourhood Plan, which are issues to be considered by Oswestry Town Council in cooperation with Shropshire Council in due course. The application and the proposed area map are attached as Appendix A. It is considered the identification of the Oswestry Parish area as a Neighbourhood Area responds positively to the Shropshire Plan's objectives, in particular meeting the ambition improve the health of Shropshire's economy and environment.

3. Recommendations

3.1. That Cabinet agree the designation of the proposed Neighbourhood Area identified on the map in Appendix A, covering the Parish of Oswestry as an appropriate basis for the development of a Neighbourhood Development Plan and notifies Oswestry Town Council accordingly.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The power to designate a Neighbourhood Area is exercisable under Section 61G of the Town and Country Planning Act 1990 ("the Act"). Under Regulation 5(1) of The Neighbourhood Planning (General) Regulations 2012 an Area Application must include a map that identifies the area to which the application relates and a statement to explain why the area is considered appropriate to be designated as a Neighbourhood Area and that the body is in fact a "relevant body" for the purposes of Section 61 G(2) of the Act. Oswestry Town Council is a relevant body for the purposes of the Act.

4.2. The relevant material (the application from Oswestry Town Council for the designation of the proposed Oswestry Neighbourhood Plan area and the map of the proposed Oswestry Neighbourhood Plan area, included as Appendix A and B to this report) was submitted by Oswestry Town Council and received by Shropshire Council on 17 December 2025. As stated under Regulation 5A (1b) and 5A (3) of The Neighbourhood Planning (General) Regulations 2012, it is not required that the area application be publicised or undergo public consultation where the area for designation relates to the full parish area i.e. regulations 6 and 6A do not apply.

4.3. In determining the application Shropshire Council must have regard to the desirability of designating the whole of the parish area as a Neighbourhood Area and the desirability of maintaining the existing boundaries of areas already designated as neighbourhood areas. In the event the designation is approved, the name of the neighbourhood area, identifying map and name of relevant body who applied for designation will be published on the Council's website in accordance with Regulation 7 (1) to bring the designation to the attention of people who live, work or carry on business in the neighbourhood area. If the designation is refused under Section 61G (9) of the Act, reasons must be given and the decision publicised in accordance with Regulation 7 (2) of the Regulations. It is considered there is significant risk to the Council of not agreeing to theOswestry Parish Area as a Neighbourhood Area without sound rationale.

4.4. The designation of an appropriate area for a Neighbourhood Plan is to confirm the geographic area the Plan will cover. This does not set policies to be contained in the Neighbourhood Plan, or the thematic scope of that Plan. Indeed, and importantly, the designation of a Neighbourhood Area does not commit the Parish or Town Council to producing or completing a Neighbourhood Plan. It is, however, a first important step in the process of preparing a Neighbourhood Plan as required by regulations.

4.5. When approved, Neighbourhood Plans form part of the statutory development plan for the area. The statutory framework covering the production of neighbourhood plans is therefore quite prescriptive and there is little risk for either Shropshire Council or Oswestry Town Council in following this carefully. However, it is important that a high degree of trust and cooperation between the Councils is maintained in order to reduce any risk of inconsistency and conflict between the Neighbourhood Plan and those other parts of the Development Plan prepared by Shropshire Council.

4.6. Shropshire's statutory Development Plan will be an important and ongoing consideration in the context of any Neighbourhood Plan prepared for the Oswestry Town Council area. At present the Core Strategy and Site Allocations and Management of Development (SAMDev) Plans (2006-2026) represent the Countywide adopted Development Plan. In response to the Inspectors' soundness concerns, the Draft Local Plan Review (2016-2036) was withdrawn from examination, a decision approved by Full Council on 17th July 2025. Shropshire Council have now been required to set out a timeframe for a further Local Plan review, with work commencing in September 2026 on a 30-month timetable, with adoption scheduled in March 2029. The timeframe of the future Local Plan is likely to be 2025 to 2045.

4.7. A Neighbourhood Plan will, after passing through the relevant stages of consultation, submission, examination and the referendum, go on to become part of the statutory Development Plan for the area. By definition, the Neighbourhood Plan should be a product of the community and as such will contain policies that, whilst in general conformity with other elements of the Development Plan, should have their own distinct character. The degree of scrutiny to be applied to a Neighbourhood Plan through its examination process is dependent upon the scope of the plan, and it will continue to be particularly important for appropriate evidence to be produced to inform the Neighbourhood Plan. Statute provides that planning applications should be determined in accordance with the provisions of relevant Development Plan policies unless material considerations indicate otherwise. The weight given to the Plan thus remains to be balanced with other considerations when taken in the round by decision makers.

4.8. Risk table

Risk	*Mitigation*
Risk of non compliance with Regulations 5, 6 and 7 of The Neighbourhood Planning (General) Regulations 2012.	Complying with the regulations by: 1) including with the Area Application a map that identifies the area to which the application relates and a statement to explain why the area is considered appropriate to be designated as a Neighbourhood Area and that the body is in fact a

	"relevant body" for the purposes of Section 61 G(2) of the Act, and; 2) not carrying out a public consultation as this is not required as the area for designation relates to the full parish area; and having regard to the desirability of designating the whole of the parish area as a Neighbourhood Area and the desirability of maintaining the existing boundaries of areas already designated as neighbourhood areas.
Risk of inconsistency and conflict between the Neighbourhood Plan and those other parts of the Development Plan prepared by Shropshire Council.	Maintain a high degree of trust and cooperation between the Councils.

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. Schedule 10, paras 3(1) and 7(3) of the Localism Act 2011 and the Neighbourhood Planning (General) Regulations 2012 read in their entirety provide that the following costs would fall to Shropshire Council: delivering a supporting role particularly in the latter stages of the Plan's development, appointing an Examiner for the Plan, conducting an Examination and holding a Referendum. Current provisions allow an application for these additional costs to be met, and a reimbursement of costs will therefore be sought from Central Government. It is considered likely the robustness of the Neighbourhood Plan policies will be tested over time by independent Planning Inspectors on planning appeals made under Section 78 of the Act. Members are advised that the liability for future appeal costs rests with Shropshire Council as Local Planning Authority and as such the usability of such plans and their impact on local decision making will need to be carefully monitored.

6. Climate Change Appraisal

6.1. The designation of the Oswestry Neighbourhood Area allows the important first step in the preparation of a Neighbourhood Plan for the parish of Oswestry. Whilst at this stage the contents of the Plan are not known and will be subject to the objectives led by Oswestry Town Council in consultation with their communities, it does present an opportunity to explore additional development management policies for the local area, which could respond to the ongoing need to reduce energy and fuel consumption, generate renewable energy, offset and mitigate carbon emissions and adapt to the impacts of climate change. Any new development management policies would need to demonstrate they are deliverable and ensure development remains viable.

7. Background

7.1. Shropshire Council fully supports the principle of areas seeking to develop their own Neighbourhood Plans to supplement and complement the wider policies of the Development Plan. The Government's National Planning Policy Framework (NPPF) supports the principle of Neighbourhood Plans and their status as part of the Development Plan. The NPPF states "Neighbourhood plans should support the delivery of strategic policies contained in local plans or spatial development strategies; and should shape and direct development that is outside of these strategic policies". It is also made clear that Neighbourhood Plans should not promote less development than set out in the strategic policies for the area or undermine those strategic policies.

7.2. The development of a Neighbourhood Plan must be facilitated by the Town or Parish Council and will, in most cases, proceed with support and assistance from volunteers across the community. It is recommended that Oswestry Town Council begin early consultation with their communities, including on how to finance the creation of the Neighbourhood Plan, including any supporting evidence which will be required.

7.3. In due course and as part of the Neighbourhood Plan preparation process, Shropshire Council will consider whether the Oswestry Neighbourhood Plan conforms to the adopted strategic policies of the wider Development Plan as part of ongoing cooperation between the Councils and as part of formal consultation responses. Ultimately, the Neighbourhood Plan will be subject to an independent assessment and will need to meet a number of mandatory 'basic conditions' set out in legislation.

8. Additional Information

8.1. Shropshire Council officers have had early discussions with representatives from Oswestry Town Council, specifically to discuss the extent of the proposal and to further understand the rationale for the area proposed.

8.2. Having had these early discussions, it is considered the proposed area, which accords with the parish boundary, is appropriate for the purposes of preparing a Neighbourhood Plan and that the proposed Neighbourhood Plan can therefore offer the opportunity to deliver some additional value through the preparation of locally relevant planning policies to support the delivery of appropriate development, whilst continuing to be in conformity with the strategic policies of the Local Plan.

8.3. Oswestry Town Council must seek to ensure the future sustainable development of the settlement by providing detailed planning policies for their area. Whilst the exact scope and remit of the Neighbourhood Plan is to be discussed, at this stage it is clear there is an understanding from the Parish Council as to the general role of the Neighbourhood Plan and the type of policies it is likely to introduce. Further discussions will help to clarify this. In addition, it should be recognised that in line with national regulations on Community Infrastructure levy (CIL), areas with adopted ('made') Neighbourhood Plans in place, receive 25% CIL Neighbourhood Funds (uncapped) from CIL liable development in its area after the Plan's adoption, compared with 15% (capped) in non-Neighbourhood Plan areas.

9. Conclusions

9.1. Oswestry Town Council has indicated they wish to prepare a Neighbourhood Plan for their whole Parish area. It is the officer recommendation to proceed with agreeing the parish as a Neighbourhood Area, and that there are no appropriate reasons not to do so.

9.2. This report only seeks to agree the Parish as a Neighbourhood Area. It does not cover any matters of content of a Neighbourhood Plan for the area, and it is fully acknowledged this is a responsibility of Oswestry Town Council to lead. However, it does identify the ongoing need for Council officers, where appropriate, to work collaboratively with Oswestry Town Council on the preparation of a Neighbourhood Plan and sets out the regulatory requirements of Shropshire Council within this process.

List of Background Papers: None	
Local Member:	Cllr Wendy Owen (Oswestry North) Cllr James Owen (Oswestry North East) Cllr Duncan Kerr (Oswestry South) Cllr Mark Owen (Oswestry South East)
Appendices:	

Appendix A - Application from Oswestry Town Council for the designation of the proposed Oswestry Neighbourhood Plan area including a map of proposed Oswestry Neighbourhood Plan area

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Application to designate a Neighbourhood Area
Town and Country Planning Act 1990
Neighbourhood Planning (General) Regulation 2012 Part 2 (5) (1)

Clerk details

Name: Arren Roberts

Address: Oswestry Town Council, The Guildhall, Oswestry. Shropshire. SY11 1PZ

Email: arrenroberts@oswestry-tc.gov.uk

Tel no.: 01691 680 222

Relevant body:

We confirm that we are the relevant body to undertake neighbourhood plan in our area in accordance with section 61G of the 1990 Act and section 5C of the 2012 Regulations. Oswestry Town Council resolved to develop a plan for the neighbourhood area at a council meeting on 10th of December 2025.

Name of Council

Oswestry Town Council

Extent of the area:

Whole Parish boundary area – please see map attached below.

Justification statement:

“Oswestry is identified in the Shropshire Core Strategy as a Market Town by policy CS3 and a Principle Centre under Policy CS15. The town is Shropshire’s second largest town after Shrewsbury, and acts as a Service centre for a wider rural hinterland with a number of key community hubs and cluster settlements”

Name: Arren Roberts

Position: Town Clerk, Oswestry Town Council

Signature:

Date: 17th of December 2025

Checklist for report writing

NB: these front pages to be removed once the report is signed off at executive directors and before issuing to committee services.

It is it important to ensure all relevant service areas are involved in the production of this report from an early stage. The following approvals checklist must be signed/completed before the report is presented to Executive Directors for sign-off. Failure to do so will result in delays for sign-off and subsequent issuing to Committee Services.

Before starting your report you may find it helpful to refer to the following guidance" How do I write a council / cabinet / committee report? - SC Intranet (shropshire.gov.uk). This covers most issues you should take into account including how to involve the Portfolio Holder in the process."

Finance

Report author to liaise with the appropriate Finance Business Partner (listed below) at the beginning of the report writing process.

Finance Business Partner (FBP) to ensure the Strategic Finance Business Partner then reviews and clears the report who in turn will ensure the Assistant Director of Finance & Technology has reviewed and cleared the report before it is uploaded for Executive Director sign-off.

NB: If there any implications for **Capital** then the Finance Business Partners for Capital need to also clear the report.

Service Area	Finance Business Partner (FBP)		Strategic Finance Manager (Cheryl Sedgley)	Assistant Director of Finance & Technology (Ben Jay)
		Signature/Initial and dated	Signature/Initial and dated	Signature/Initial and dated
Adults	Michelle Ealey			
Children's	Stephen A Waters			
Place	Craig Felton			
Health, Wellbeing & Prevention	Chris Scott			
Resources	Molly Sullivan			
Capital Projects	Donna Payne or Michaela Probert			

Legal

Report author to liaise with Tim Collard and Miranda Garrard at the beginning of the report writing process. They will then discuss which of them will review and approve.

Name	Signature/Initial and Dated
Tim Collard	
Miranda Garrard	

Risk Management

All reports to be reviewed and cleared by Jane Cooper or Saskia Richardson. Report author to involve them in the process as early as possible.

Name	Signature/Initial and Dated
Saskia Richardson	

Workforce Development (HR)

Where applicable, reports to be reviewed and cleared by the Strategic HR Business Partner. Report author to liaise with Workforce Development at the beginning of the report writing process.

Name	Directorate	Signature/Initial and Dated
Debbie A Smith	• Children's • Shires • Care and Wellbeing	
Chantell Carson	• Infrastructure • Communities and Customer	
Lisa Drew	• Enabling • Legal • Commissioning • Strategy	
Deb Smith–Senior HR Advisor (Schools)	• Schools	

Climate Change

All reports to be reviewed and cleared by Simon Stallard. Report author to involve him in the process as early as possible.

Name	Signature/Initial and Dated
Tom Dodds	

Service Director Sign-off

All reports to be reviewed and cleared by the relevant Service Director before going to the Executive Group for sign-off.

Name	Signature/Initial and Dated
David Shaw	**Approved 26/01/26**

Executive Group Sign-off

Executive Group to review and clear report and confirm all checks above have been done.

Name of Director	Signature/Initial and Dated
Tanya Miles	
Rachel Robinson	**RR 27/01/26**
James Walton	

Portfolio Holder/Leader Sign-off

Report Author/PA to confirm the relevant Portfolio Holder has reviewed the report before publication.

Name of Portfolio Holder	Dated Reviewed
Andy Hall Heather Kidd, Leader	

David Shaw, david.shaw@shropshire.gov.uk

Shropshire Council	**Committee and Date** **Cabinet** **11th February 2026**	Item Public

Healthy People | Healthy Economy | Healthy Environment | Healthy Organisation

Shropshire Schools Funding Formula 2026-27

Responsible Officer:		David Shaw
email:	David.shaw@shropshire.gov.uk	Tel: 01743 256479
Cabinet Member (Portfolio Holder): Andy Hall		

1. Synopsis

Considering the recommendations of the Schools Forum and aligned to the Department for Education (DFE) operational guidance on schools revenue funding, approval is sought from Cabinet for the proposed Shropshire Schools Funding Formula 2026-27.

2. Executive Summary

2.1. In December 2025 the Department for Education (DFE) published the school revenue guidance for local authorities and schools forums. The guidance confirmed the arrangements for distributing funding through the national funding formula (NFF) for schools, high needs and central services to schools.

2.2. At their meeting on 22 January 2018, Cabinet approved the recommendation from Shropshire Schools Forum to replicate the NFF, through Shropshire's local funding formula, which means 2026-27 will be the ninth year of the NFF being applied to the funding of the county's schools and academies.

2.3. The DFE require the proposed formula for 2026-27 to be politically approved. This paper therefore sets out the proposals, agreed by the Shropshire Schools Forum on 22 January 2026, for Cabinet approval.

3. Recommendations

3.1. That Cabinet accept the recommendation of Shropshire Schools Forum on the funding formula for Shropshire schools for the financial year 2026-27 for maintained schools, and the academic year 2026-27 for academies.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The Secretary of State for Education announced in September 2017 planned changes to the school funding arrangements for 2018-19 and future years, placing a requirement on local authorities to formally consult with their maintained schools and academies on the schools funding formula to be applied in their local authority area.

4.2. Shropshire schools were consulted in the Autumn term 2017 on the basis for distributing the Schools Block of the Dedicated Schools Grant (DSG) to Shropshire schools and academies. Following this consultation Shropshire Schools Forum recommended, and Cabinet agreed, the distribution of individual school budgets for 2018-19 and future years would be aligned with and mirror the transitional NFF announced by the Government in July 2017.

4.3. Local authorities continue to have responsibility for determining their local funding formulas for allocating the Schools Block to their individual schools in 2026-27. As in the current financial year 2025-26 it will be compulsory for local authorities to include the national minimum per pupil funding levels in their local formulas for 2026-27.

4.4. The Government has confirmed plans to move to a 'direct' NFF in the future, which will determine school funding allocations directly, rather than through local funding formulae. There is currently no indication from the Government as to when this will take place.

4.5. At their meeting on 22 January 2026, Shropshire Schools Forum considered the specific arrangements for 2026-27, with a view to these arrangements being approved by Cabinet at their meeting in the Spring term, in line with DFE guidance.

4.6. The proposed school funding formula, in complying with the Government guidelines, does not present any identified risks either to the local authority or schools.

5. Financial Implications

5.1. The school funding formula is used to determine how part of the Council's DSG allocation, in particular the Schools Block, is distributed to Shropshire maintained schools and academies. The individual school 'budget shares' determined by the formula represent a significant proportion of the annual revenue funding for maintained schools for the financial year, and funding for academies for the academic year.

5.2. The funding for maintained schools is distributed through the local authority, while the DFE uses the formula to allocate funding directly to Shropshire's academies and the county's free schools.

6. Climate Change Appraisal

6.1. There are no anticipated climate change implications from the proposals within this report, though the authority continues to work with school leaders, governors and trustees on the opportunities for applying carbon reduction measures in the operation of their schools.

7. Background

7.1. The latest guidance on schools revenue funding arrangements for 2026-27 was published by the DFE in December 2025.

7.2. For 2026-27, the following key elements of the schools NFF will apply:

- The Primary minimum per pupil funding level (MPPL) has increased from £4,955 to £5,115 - 3.13% and the Secondary MPPL has increased from £6,465 to £6,640 – 2.64%. These levels are included within the NFF within the Authority Proforma Tool (APT).

- Growth funding will be based on the same methodology as last year.

- Shropshire Schools Forum has a statutory consultative and advisory role in respect of school funding, while the responsibility for determining and approving the funding formula rests with the local authority. Schools Forum considered a paper on the School Funding Arrangements 2026-27 at their meeting on 22 January 2026 – a copy of the report is appended to this report (Appendix A). This includes confirming the affordability of applying the NFF and making a transfer to the High Needs Block.

7.3 As well as applying the NFF factor values and weightings, Schools Forum agreed the following:

- To transfer 0.5% of the Schools Block, into the High Needs Block after fully funding individual schools in line with the NFF.

- Outcome – it has been possible to transfer 0.5% (model figure of £1,165,244) of the Schools Block into the High Needs Block after fully funding schools in line with the NFF.

- Shropshire's allocation followed NFF factor values provided in the APT for 2026-27.

8. Additional Information

8.1 Additional funding will be received in the High Needs Block to support mainstream schools and non-mainstream schools, including special schools.

9. Conclusions

9.1. Cabinet is recommended to approve a schools funding formula for 2026-27 that delivers funding to Shropshire schools and academies through the application of the NFF formula factors and weightings

Schools revenue funding 2026-27 - Operational Guide: Schools operational guide: 2026 to 2027 - GOV.UK

Schools Forum Website: Schools Forum Website — Shropshire Council

Local Member:	All Members
Appendices	
Appendix A – Cabinet Paper copy of paper B – Schools Funding Arrangements 2026-27	

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Schools Forum Date: 22 January 2026 Time: 8.30 to 10.30 Venue: Via Microsoft (MS) Teams	Paper **B** Public

Update to School Funding Arrangements 2026-27

Responsible Officer
Jo Morris email: jo.morris@shropshire.gov.uk

Summary

Details of the Government's recent funding announcements for 2026-27 for schools, including high needs and early years, were provided to Schools Forum in December 2025.

This report details specific local funding arrangements from April 2026 for information and consideration by Schools Forum in relation to the schools national funding formula and potential transfer of funding between blocks.

Recommendation

Schools Forum is recommended to note the specific funding arrangements from April 2026 as detailed within this report and that these will be recommended to the Shropshire Council Cabinet for approval at the meeting on the 11th February 2026.

REPORT

Background

In July 2017, the Government announced the introduction of a national funding formula (NFF) for allocating the Schools Block of the Dedicated Schools Grant (DSG) to local authorities from April 2018.

Local authorities, in consultation with their schools and Schools Forum, continue to have some local flexibility on the basis for distributing funding to schools through the National funding formula in 2026-27. It remains the Government's intention to fund all schools nationally via the NFF in the future.

Following consultation with Shropshire schools and Schools Forum, Shropshire's local formula for distributing the Schools Block to individual schools and academies has mirrored the NFF since 2018-19.

Shropshire Schools Forum has a statutory consultative and advisory role in respect of school funding, while the responsibility for determining and approving the funding formula rests with the local authority.

Update to the DSG schools block for 2026-2027

The dedicated schools grant, DSG, schools block is based on the primary unit of funding (PUF) and the secondary unit of funding (SUF). Shropshire's 2026-27 PUF increased from £5,661 to £5,963 – 5.06% and SUF from £6,829 to £7,196 – 5.10%. These units of funding have been multiplied by the total October 2025 school census numbers on roll in Shropshire and added to Shropshire's historic spend on premises factors to give a total Shropshire Schools Block allocation for distribution to schools through the National Funding Formula NFF. The allocation also includes funding for Growth. Growth has seen an increase of 80% from £381,130 to £679,525. Pupil numbers have reduced by 343 between Oct 24 census and Oct 25 census.

25-26 Total schools block	**26-27 Total schools block**	**Increase to SB from 25-26 to 26-27**	**% Increase**
£224,160,699	£234,352,356	£10,191,657	4.55%
147 funded schools 20 secondary schools 127 primary schools			

School Funding Arrangements for 2026-27

The latest operational guidance on schools revenue funding arrangements for 2026-27 was published by the DFE in December 2025.

For 2026-27, the following key elements of the schools NFF will apply:

The increase in funding includes an additional allocation to cover the Schools budget support grant and National insurance contribution grants that were previously funded through the separate grants. The value included within the total 2026/27 allocation is £6,652,464 which equates to 2.98% of the year-on-year funding increase.

Each local authority is provided with an Authority Proforma Tool which must be used to calculate school budget shares. Work completed to date on the APT is demonstrating that the NFF is affordable and Shropshire will be able to fund schools in line with the NFF.

Within the NFF there are factor value limits which are applied in order to allow flexibility to model varying total school budgets.

Difference in budgets will also be due to a movement in the NOR, therefore you cannot compare budgets from year to year if the NOR has changed.

The Primary minimum per pupil funding level (MPPL) has increased from £4,955 to £5,115 - 3.13% and the Secondary MPPL has increased from £6,465 to £6,640 – 2.64%. These levels are included within the NFF within the APT.

The minimum per pupil funding levels are not to be confused with the age weighted pupil units (AWPU) funding levels which are within the NFF and included within Schools individual budget shares.

Growth funding (within DSG schools block)

Growth spend has not been matched to funding for 2026/27. As an additional need has not been identified, spend has been aligned to 2025/26 spend. However, for 2027/28 it should be noted that there may be a greater expenditure need for growth and that the funding may not match that need. For 2026/27 the additional allocation of growth has been distributed to schools via the NFF.

Transfer of Funding between Blocks

The Schools Block remains ringfenced in 2026-27 but local authorities retain limited flexibility to transfer up to 0.5% of their Schools Block funding into another block with approval of Schools Forum. To transfer an amount above 0.5%, approval would need to be sought from the Secretary of State for Education by way of a Disapplication request. Disapplication's must be submitted as early as possible and no later than 17 November 2025 (date for 2026 to sought from DFE.)

In previous financial years, Shropshire Schools Forum approved a transfer up to 0.5% of the Schools Block to the High Needs Block HNB to support the growing pressures in this area. Agreement was given to transfer remaining Schools Block budget (up to 0.5%) after fully funding schools in line with the NFF each year, including transitional protections and caps. In 2025/26 £619,599, 0.28% was transferred to the HNB. Balances of £784,000 (0.49%), £397,000 (0.25%), £842,000 (0.5%) and £876,218 (0.5%) and £949,077 were transferred to the High Needs Block in previous years.

Following from 2025-26 into 2026-27 and increased cost pressures within the High Needs funding, as agreed by Schools Forum on the 11th December 2025, it is our intention to transfer up to 0.5% of the Schools Block budget into the High Needs Block.

Work completed to date on the APT demonstrates that it will be possible to transfer 0.50% (£1,165,244) of the Schools Block into the High Needs Block after fully funding schools in line with the NFF.

The 2026/27 DSG allocation has been applied to the (APT) using a range between the minimum and maximum threshold factor values which has produced the following options for school's forum to consider;

Transfer to High needs blocks options

Option 1 Transfer 0.5% from schools block to HNB				
Shropshire Schools Block Funding 2026.27	£ 234,352,356			
Applying NFF to School Budgets	£ 232,813,453	4.32% increase		
Additional grants rolled into the DSG allocation. SBSG & NICS	£ *6,652,464*	2.98% within increase		
Growth spend	£ 373,660		*80% funding increase £679,525*	
Transfer to High needs block 0.5%	£ 1,165,244	£ 33 per pupil		
Increase from 25/26 to 26/27 without Additional Grants		1.34%	£84	per pupil

Option 2 Transfer 0% from schools block to HNB				
Shropshire Schools Block Funding 2026.27	£ 234,352,356			
Applying NFF to School Budgets	£ 233,971,806	4.84% increase		
Additional grants rolled into the DSG allocation. SBSG & NICS	£ *6,652,464*	2.98% within increase		
Growth spend	£ 373,660.00		*80% funding increase £679,525*	
Transfer to High needs block 0.5%	£ 6,891	£ 0 per pupil		
Increase from 25/26 to 26/27 without Additional Grants		1.86%	£116	per pupil

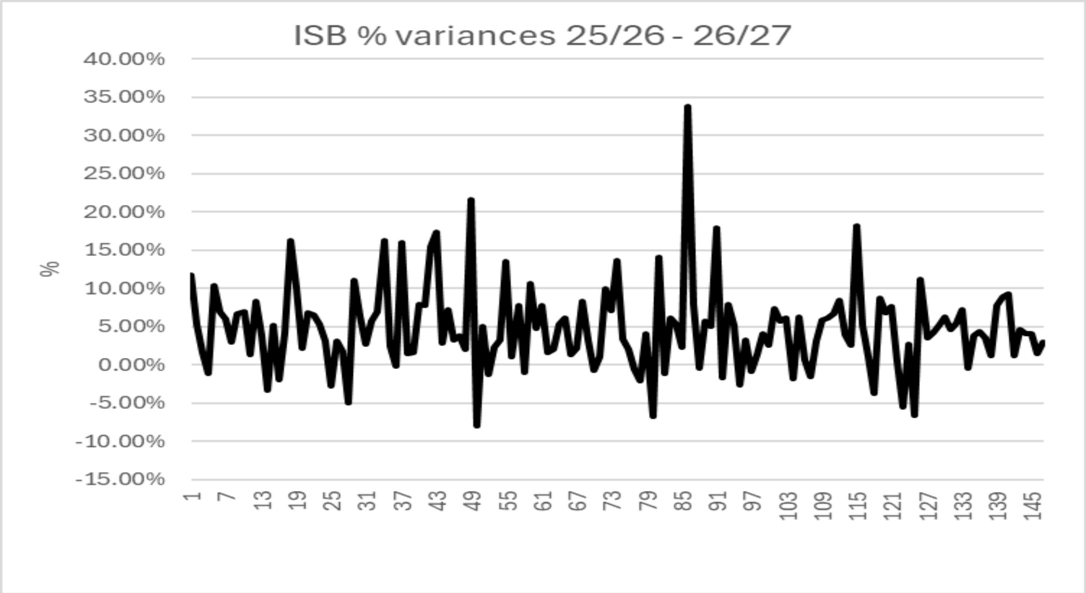
Option 3 Transfer 1% from schools block to HNB - for demonstration purposes only as Disapplication request deadline has passed				
Shropshire Schools Block Funding 2026.27	£ 234,352,356			
Applying NFF to School Budgets	£ 231,641,804	3.80% increase		
Additional grants rolled into the DSG allocation. SBSG & NICS	£ *6,652,464*	2.98% within increase		
Growth spend	£ 373,660.00		*80% funding increase £679,525*	
Transfer to High needs block 1%	£ 2,336,893	£ 66 per pupil		
Increase from 25/26 to 26/27 without Additional Grants		0.82%	£51	per pupil

Individual school budget Impact of Option 1 - Transfer 0.5% from schools block to HNB

- A sample of 8 schools with no NOR year on year variance have % gains between 2.85% to 10.38% with grants and 0% to 7.59% excluding the additional grants gain.

- 123 schools receive an increase greater than zero. The maximum of 33.74% relates to a new school. The next highest increase of 21.58% relates to a school with increased NOR of 21.

- 24 schools received a reduction of less than or equal to zero. The greatest reduction of 7.93% relates to a school with a loss of 13 NOR.



Cabinet will be asked to recommend approval of the Shropshire schools funding formula for 2026-27 that delivers funding to Shropshire schools and academies through the application of the NFF formula factors and weightings on 11 March 2026.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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