



Date: Thursday, 11 December 2025

Time: 10.00 am

Venue: The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ

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COUNCIL

TO FOLLOW REPORT (S)

8 Auditors Annual Report (Pages 1 - 68)

Report of the Executive Director, Resources is **to follow**

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Committee and Date

Council

11th December 2025

Item

Public



External Auditor's Annual Report – Response to Statutory Recommendation

Responsible Officer:

Tanya Miles, Interim Chief Executive

email: Tanya.miles@shropshire.gov.uk

Cabinet Member (Portfolio Holder):

Heather Kidd

1. Synopsis

The Council's external auditors, Grant Thornton, have issued their Annual Report ("AAR") for 2024/25. This highlights Shropshire Council's financial challenges and makes one statutory and three key recommendations focussing on financial resilience. The Audit and Governance Committee noted the seriousness of the recommendations and have referred the AAR to full Council for its consideration and response to the Statutory Recommendation.

2. Executive Summary

2.1. The AAR brings together a summary of the work undertaken by Grant Thornton during 2024/25. A key element of this report is the commentary provided by external audit on the Council's value for money (VfM) arrangements.

2.2. The AAR includes three key recommendations and one statutory recommendation. These are set out below:

SR1: The Council should:

- *Continue, at pace, the action taken to address the financial challenges it faces, including an immediate review of all services, both statutory and non-statutory,*

and identify the cost of minimum viable service provision to deliver its statutory responsibilities. This will enable the Council to understand the scale of its structural deficit between the cost of services and the income available to the Council. This action should give the Council an understanding of immediate decisions and savings that can be delivered, replicating actions that would be taken were the Council to issue a Section 114 Notice.

- Review all estimates and modelling that feed into the development of the budget and MTFS to ensure that optimism bias is reduced or eliminated. This should enable the Council to mitigate variances in the actuals compared to budget resulting from over-optimism in assumptions.*
- Develop a realistic and deliverable plan over the medium term as to how EFS will support the increase in financial resilience, and how the Council will reduce reliance on this support to reach a financially sustainable position. EFS should be temporary in nature and the Council needs to clearly articulate the plan for reaching a financially sustainable position without undue reliance on temporary sources of support, which increase the debt profile of the Council and the associated ongoing revenue costs of servicing this borrowing.*
- Immediately action the recommendations raised in the Internal Audit review with regards to the budget monitoring and reporting issues that contributed to the significant deterioration in the 2024/25 outturn position. Audit and Governance Committee should receive a report on the progress of addressing the recommendations to avoid a similar situation occurring again in the future.*

KR1: The Council should:

- review all savings programmes to scrutinise deliverability*
- ensure that, when setting the budget for 2026/27 the savings programmes included are deliverable and achievable, and scenario plan for any slippage to support the financial position*
- review the outputs from the PwC transformation work and identify initiatives that can be implemented at pace to support savings delivery*

KR2: The Council should:

- continue to drive forward activity that seeks to mitigate the growth of the DSG deficit whilst continuing to engage through the Schools Forum on the management plan in place*
- regularly reporting on the impact of mitigations should be made through the Schools Forum whilst also being reported to Cabinet as part of the overall financial monitoring reporting*

KR3: The Council should:

- immediately create an action plan as to how to address the pervasive issues across the Council that are contributing to the “Limited Assurance” opinion from the Head of Internal Audit*
- the plan should be approved by the Audit Committee and there should be regular reporting to Audit Committee on progress against the plan*
- appoint a lead officer to drive this improvement*

- 2.3. Management responses have already been provided to each of these recommendations and were reported to the Audit and Governance Committee, The response to the Statutory Recommendation is set out below:

The Council acknowledges the seriousness of the financial challenges it faces and is committed to taking decisive and sustained action to address them. A series of reports were considered by Cabinet on 3 December 2025 that will directly tackle the issues raised in this statutory recommendation. This will include:

- *Shropshire Council Improvement Plan – setting a roadmap over the next 18 months to improvement*
 - *Medium Term Financial Strategy – creating the foundations for a move to a stabilised and, over the medium term, a sustainable budget.*
 - *Capital Strategy – setting out the initial approach to bringing about a stabilised approach to capital investment.*
 - *Pre-Budget Report – setting out the technical financial actions being taken to tackle the issue of s114 and how the MTFS, Capital Strategy, Treasury Strategy, Reserves Strategy and Exceptional Financial Support Strategy will work, in tandem with the Improvement Plan, to bring about financial stability. [NB This report was deferred at Cabinet]*
- *Council is also due to approve the 2026/27 Budget and MTFS in February 2026 which will provide a direct response to this Statutory Recommendation.*

- 2.4. Whilst these are the immediate management responses, the Local Audit and Accountability Act 2014 requires the Council to consider the statutory recommendation and decide whether the recommendation is to be accepted, and what, if any, action to take in response.

- 2.5. The Auditor's Annual Report is attached at Appendix 1.

3. Recommendations

That Council:

- a) Acknowledge and accept the statutory recommendation made by the External Auditors
- b) Address the statutory recommendation through the immediate management response and actions set out in paragraphs 2.3 and 7.9 of this report together with the adoption and implementation of the Council's Improvement Plan and its programmes of action focussed on financial stability, strengthening financial management policy and practice and "Getting the Basics Right" (strengthening corporate governance)
- c) Agree that the Audit and Governance Committee receives updates on the progress of the Council in addressing the various elements of the Statutory Recommendation.
- d) Instruct the Chief Executive to write to the External Auditor with the outcome of the Council's consideration of this report.

Report

4. Risk Assessment and Opportunities Appraisal

Details of the potential risks affecting the financial health of the Council are considered as part of the Council's Strategic Risk process. The AAR brings together a summary of all the work undertaken by Grant Thornton for Shropshire Council during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements.

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 considers financial implications that will be set out, in detail, in the Council's MTFS reports from December 2025 through to February 2026.

6. Climate Change Appraisal

6.1 No issues identified directly within this report.

7. Background

7.1 Shropshire Council is facing severe and immediate financial sustainability challenges, with a reported overspend of £34.32 million in 2024/25 and a forecast overspend of £50.746million (as at Period 7) for 2025/26. The auditors highlight that weaknesses in budgeting and monitoring contributed to a significant deterioration in the Council's financial position, particularly between the final two periods of 2024/25. The Council risks exhausting its General Fund reserves and potentially entering an unlawful financial position.

7.2 The Council's External Auditors have responsibility to give an opinion on the Council's financial statements and assess the arrangements for securing economy, efficiency and effectiveness in the Authority's use of resources. They also have additional powers and duties under the Local Audit and Accountability Act 2014

('the Act'). These include powers to use a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Authority's accounts and raise objections received in relation to the accounts. Grant Thornton have concluded that it is appropriate for us to use their powers to make written recommendations under Section 24 of the Act, due to the significant weaknesses identified in relation to the current financial position of the Council and the forecast outturn position for 2025/26 potentially putting the Council into an unlawful financial position. This includes a Statutory Recommendation.

- 7.3A Statutory Recommendation is of key significance for the authority but is not unexpected given the Council's declaration of a Financial Emergency on 10 September 2025 and the continued reporting of a deteriorating financial position in Period 5 and Quarter 2 Financial Monitors in October and November. Much of the work to resolve the issues is already being taken forward by the Council, but this does not distract from the seriousness of this recommendation.
- 7.4 Having received a statutory recommendation, Schedule 7 of the Local Audit and Accountability Act 2014 requires the following actions: The Authority must consider the recommendation at a meeting held before the end of the period of one month beginning with the day on which it was sent to the Authority. At the public meeting the Authority must decide:
- a) whether the report requires the authority to take any action or whether the recommendation is to be accepted, and
 - b) what, if any, action to take in response to the report or recommendation.
- 7.5 The AAR was initially presented to the meeting of Audit Committee on 27 November 2025 and the report was then referred to full Council. The proposed recommendations at section 3 fulfil the decision points identified in the previous paragraph.
- 7.6 The management response to the statutory recommendation sets out the work that the Council is currently undertaking to implement the Improvement Plan. It is hoped that that Council will endorse this Improvement Plan along with the related People Plan later in this agenda. The Statutory and Key Recommendations made within the AAR are specifically mentioned in Appendix 4 of the Improvement Plan and its programmes of action focussed on financial stability and strengthening financial management.
- 7.7 In the report, the Council is urged to address the financial challenges at pace, review the budget and Medium Term Financial Strategy (MTFS), and develop a plan to remove any reliance on Exceptional Financial Support beyond the medium term. Additional key recommendations focus on the overambition of savings plans and the growing Dedicated Schools Grant deficit, both of which threaten the Council's financial resilience.
- 7.8 The auditors also identify significant governance concerns, notably the sixth consecutive year of a "Limited Assurance" opinion from the Head of Internal Audit, indicating persistent weaknesses in the Council's internal control environment. The auditors note that a lack of urgency in addressing internal audit findings has contributed to the Council's financial difficulties. While the Council has made progress in some areas, such as strengthening governance around major projects

and establishing robust partnership working, urgent action is required to address the recommendations from the recent Local Government Association Corporate Peer Challenge (“LGACPC”) and to improve overall value for money arrangements. The Council began to address the LGACPC Recommendations as soon as it received the draft findings in July and the External Auditor has commended the Council's proactive steps, such as the formation of spending control boards and an Improvement Board, but stress that these measures must be accelerated and embedded to restore financial stability and effective governance. We acknowledge these concerns and have already started to address them through the actions set out in this report. More specifically the Council is addressing the Statutory Recommendation in the following ways:

- The Spend Control Board processes ensure that only essential spend is approved. Officers are constantly reminded through this and other processes that the Council should not be providing services which exceed our statutory/contractual responsibilities unless it delivers significant income or effective preventative measures to reduce our spend.
- The Budget Oversight and Spend Strategy (“BOSS”) meetings rigorously challenge budget holders to demonstrate that their forecasts and modelling are robust so as to address the optimism bias which has been acknowledged. This work will continue to ensure positive outcomes are realised throughout the remainder of 2025/26.
- The Improvement Plan will be supplemented by a delivery plan which will indeed set out how the Council intends to use any Exceptional Financial Support (“EFS”) approved by MHCLG so as to increase our financial resilience, acknowledging that EFS is only temporary in nature.
- The Internal Audit review of the 2024/25 outturn position resulted in six recommendations which have been accepted by officers and implementation of these is underway. During 2025/26 closer collaboration between ASC Service Managers and budget holders and Finance colleagues has resulted in an improved understanding of the end-to-end process, the challenges arising from data transfers between different systems and the resultant impact on accurately forecasting the year-end position. However continued work is necessary to enable both the budget holders and Finance team to have complete assurance of the basis of budget assumptions and the realisation of savings targets.

7.9 In addition, since being appointed as the Interim Chief Executive, I have taken the following actions to address some of the wider concerns being raised:

a. Senior Leadership Forum collaboration and discussions on their collective role, the role of the manager and governance responsibilities. These meetings are taking place weekly during October and November and provide all Service Managers the opportunity to be heard and actively shape the Council's direction of travel. Additional communications at Leadership Board covering FOI and outstanding audit recommendations on 6 November 2025 attended by Chief Audit Executive. The focus is on improving controls in addition to the implementation of overdue recommendations.

- b. All staff email sent 09 October 2025 regarding compliance with the Council's Constitution, policies and procedures. Specific reference was made to financial rules, contract procedure rules and information security policies.
- c. All staff email (CEO update) sent on 30 October 2025 reminding staff to prioritise overdue FOI responses within the "getting the basics right" section. This is attached as Appendix 2.
- d. Statutory Officers (i.e. Head of Paid Service, Section 151 Officer and Monitoring Officer) meetings have commenced with a focus on compliance and strengthening governance.
- e. Council is being asked to approve the Improvement Plan and 2025-2030 People Plan. This builds on feedback from the Staff Pulse survey, broader engagement sessions, best practice arrangements elsewhere and the CPC feedback. Initial actions will focus on culture, leadership and talent, capability and capacity, performance and systems and establishment. Key deliverables for these five areas will have a strong governance focus to develop and embed a strong assurance framework.
- f. An independently chaired Improvement Board has been established with its first full meeting taking place on 10 November 2025. This is a cross-party board, with an LGA recommended independent chair and will have oversight of the delivery of the Improvement Plan.
- g. A review of strategic risks, with an officer workshop on 18 November to develop this work further. This will be closely interlinked with the Improvement Plan and a key area of focus over the next 12-18 months.
- h. Management assurance on the implementation of internal audit recommendations. Positive progress has been made across the Council with an overall reduction from 181 overdue recommendations on 17 October to 26 as at 03 December. However at this stage this does not include internal audit testing of the implemented recommendations.
- i. Focus on clearing overdue FOI requests has seen the total number reduce from 88 as at 30 October to 23 as at 04 December. A clear timeline for clearing overdue requests and achieving full compliance with the legislation has been set out and shared with Leadership Board.
- j. Ongoing monitoring of overdue Internal Audit recommendations is covered in the statutory officers group meetings.
- k. There has been a focus on clearing MP enquiries with action taken to resolve those which were outstanding. These have now reduced to a manageable level.
- l. There has also been a review of all previous savings proposals, decision, transformation opportunities and level of service provision by the senior leadership team.

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

Financial Monitoring Reports to Cabinet through 2025/26

Financial Strategy – Council 27 February 2025

External Audit Reports to Audit Committee through 2024/25 and 2025/26

Local Member: n/a

Appendices

Appendix 1: Auditor's Annual Report year ending 31 March 2025

Appendix 2: All staff email 30th October 2025

Shropshire Council

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Auditor's Annual Report
Year ending 31 March 2025

November 2025

Final



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

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Introduction

This report brings together a summary of all the work we have undertaken for Shropshire Council during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

Use of auditor's powers

We bring the following matters to your attention:

We identify four significant weaknesses in the Council's arrangements for Value for Money resulting in one statutory and three key recommendations.

The statutory recommendation relates to financial sustainability and governance, and recommends that the Council should continue at pace to address the current and medium term financial challenges it faces, including a review of the cost to deliver its minimum viable service provision to deliver its statutory responsibilities, review its budget and its Medium Term Financial Strategy (MTFS) to reduce or eliminate optimism bias, develop a plan on how the Council will seek to reduce the reliance of Exceptional Funding Support (EFS) to reach a financially sustainable position in the medium term and also ensure that it immediately implements recommendations raised by Internal Audit in respect of the review they undertook on Budget Monitoring. See pages 11 and 12.

In addition, we have raised a further two key recommendations relating to financial sustainability, which firstly look at ensuring that saving plans are appropriately scrutinized for deliverability and secondly ensuring further activity is undertaken to mitigate the growth of the Dedicated Schools Grant (DSG) deficit, see pages 13 and 14 respectively. We have also raised a further key recommendation in relation to governance, which recommends that the Council looks to address the continued "Limited Assurance" Head of Policy and Governance (Internal Audit) Opinion it has received for several years, see page 15.

Recommendations made under section 24 schedule 7 of the Local Audit and Accountability Act 2014 - Statutory recommendations

Our responsibilities: As well as our responsibilities to give an opinion on the financial statements and assess the arrangements for securing economy, efficiency and effectiveness in the Authority's use of resources, we have additional powers and duties under the Local Audit and Accountability Act 2014 ('the Act'). These include powers to use a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Authority's accounts and raise objections received in relation to the accounts.

We have concluded that it is appropriate for us to use our powers to make written recommendations under Section 24 of the Act, due to the significant weaknesses we have identified in this report in relation to the current financial position of the Council and the forecast outturn position for 2025/26 potentially putting the Council into an unlawful financial position.

What does the Authority need to do next? Schedule 7 of the Local Audit and Accountability Act 2014 requires the following actions:

The Authority must consider the recommendation at a meeting held before the end of the period of one month beginning with the day on which it was sent to the Authority. At the public meeting the Authority must decide;

- Whether the recommendations are to be accepted; and
- What, if any, action to take in response to these recommendations

Schedule 7 specifies the meeting publication requirements that the Authority must comply with.

Local government – context

Local government has remained under significant pressure in 2024/25

National		Past	Present	Future
Page 14		Funding Not Meeting Need The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.	 Financial Sustainability Many councils continue to face significant financial challenges, including Dedicated Schools Grant pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.	 Funding Reform The UK government plans to reform the system of funding for local government and introduce multi-annual settlements. The state of national public finances means that overall funding pressures are likely to continue for many councils.
		Workforce and Governance Challenges Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.	 External Audit Backlog Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.	 Reorganisation and Devolution Many councils in England will be impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.

Local

Shropshire Council is a unitary council covering a predominantly rural area of 1,235 square miles. The population of the area served by the Council is 327,000, 25% aged 65+. There are 139,000 households in Shropshire and it is a relatively affluent area with some pockets of deprivation, growing food poverty and rural isolation. The Council operates under an Executive decision-making model, which oversees the formation of all major policies, strategies and plans and as such the Council’s formal decision making and governance structure constitutes the Full Council and an Executive (the Cabinet). Full Council and Cabinet are supported by five overview and scrutiny committees. The Council has 74 councillors, and the Council is elected every four years. The most recent elections were in May 2025 when the Liberal Democrats secured a majority with 42 elected councillors. In September 2025 a financial emergency was declared by the Council and it was announced that the Chief Executive, Andy Begley was to leave Shropshire Council. Tanya Miles has been appointed as interim Chief Executive.

It is within this context that we set out our commentary on the Council’s value for money arrangements in 2024/25.

02 Executive Summary

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Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.



Financial sustainability

Shropshire Council continues to face acute and immediate financial sustainability challenges. An overspend of £34.320 million was delivered in 2024/25 and there was a significant deterioration in this outturn between period 11 and period 12, attributable to weaknesses in budgeting and monitoring arrangements. As at period 5 of 2025/26, the forecast overspend is £35.531 million. At period 6 this position has deteriorated further to a forecast outturn overspend of £47.069 million. Delivering an overspend of this level would leave the Council with a negative General Fund reserves balance, potentially placing the Council in an unlawful financial position. The Council also faces financial sustainability challenges over the medium-term with unaddressed MTFS budget gaps and a lack of clear plan on how the Council will not become reliant on Exceptional Financial Support.

We do note that the Council has proactively sought to address its immediate financial challenges through the introduction of spending control boards and an Improvement Board. The Council's Improvement Plan is scheduled to be approved by Cabinet in early December 2025. A detailed review of service expenditure to date and projections to year end has worsened the forecast outturn position to an overspend of £47.069 million. This is a significantly worse position than reported at period 5.

On this basis we have raised a statutory recommendation, please see page 11 and 12.

In addition to this we have raised two key recommendations in relation to the overambition of the Council's savings plans leading to the financial sustainability challenges facing the Council, please see page 13, and in relation to the Dedicated Schools Grant deficit, please see page 14.

Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.

Governance

The weaknesses in budget monitoring and reporting that contributed to the deterioration in the 2024/25 outturn position between period 11 and period 12 relate to weaknesses in governance arrangements and have been captured within the statutory recommendation raised.

For the sixth consecutive year the Head of Policy and Governance (Internal Audit) has given an annual opinion of "Limited Assurance" on the internal control environment of the Council. This is indicative of a significant weakness in the Council's arrangements for securing value for money because a lack of urgency to address issues raised by Internal Audit has contributed to failings that have impacted on the financial sustainability of the Council, therefore we have raised a key recommendation on page 15.

We do note that the Council continues to have robust governance around decisions and has made significant progress in addressing the concerns raised in 2023/24 around the governance of the North West Relief Road project.

Improving economy, efficiency and effectiveness

The Council was subject to a LGA Peer Review during 2025 and this review highlighted the precarious financial position facing the Council. 10 recommendations were raised by the review and we have raised an improvement recommendation for the Council to ensure that these recommendations are dealt with in a timely manner. We note that the Council has already presented an action plan to Cabinet and will be taking it to the newly established Improvement Board.

We note that the Council continues to have strong partnership working and robust performance management arrangements.

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council’s arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	R Significant weakness in arrangements identified in relation to the Council’s financial sustainability in the medium term and one key recommendation raised.	Risk of significant weakness identified in relation to the Council’s financial sustainability.	R Pervasive weaknesses in arrangements were identified and a statutory recommendation raised in relation to the current and medium-term financial position of the Council, along with issues of budget monitoring and reporting. We have raised a statutory recommendation (pages 11 and 12) in relation to this. We have also raised two key recommendations relating to the savings delivery (page 13) and Dedicated Schools Grant deficit (page 14). We also raise one improvement recommendation (page 30).
Governance	R Significant weaknesses identified in relation to the North West Relief Road project and two key recommendations raised.	Risk of significant weakness identified in relation to North West Relief Road. Risk also identified in relation to addressing of Internal Audit recommendations.	R Significant weakness in arrangements identified and one key recommendation (page 15) raised relating to the “Limited Assurance” opinion from the Head of Policy and Governance (Internal Audit). The statutory recommendation (see pages 11 and 12) also relates to governance issues with budget monitoring and reporting that impacted on the 24/25 outturn position.
Improving economy, efficiency and effectiveness	A No significant weaknesses identified. Three improvement recommendations raised on Children’s Social Care, contract management and use of waivers	No risks of significant weakness identified	A No significant weaknesses in arrangements identified, but an improvement recommendation made in relation to the recommendations raised in the LGA Peer Review (page 37).

G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendation(s) made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability and Governance – Statutory Recommendation

Statutory recommendation raised in relation to financial sustainability, overall financial position of the Council and financial governance in budget setting

Key Finding: Shropshire Council delivered a £34.2 million overspend in 2024/25. The forecast outturn position deteriorated significantly between financial reporting in Month 11 and the year end outturn position. This deterioration was predominantly attributable to increased overspend within Adult Social Care. An Internal Audit review was commissioned to understand the reasons for the significant deterioration in the outturn position. The Internal Audit report identified a number of failings in financial monitoring and reporting that contributed to this position. Moving into 2025/26, the Council is at imminent risk of issuing a Section 114 Notice due to the forecast outturn position reported at Month 5 and a further deterioration of this position at Month 6 following a review of optimism within the financial monitoring and budgeting. There is a lack of evidence that the Council is financially sustainable in the short term and there is also a medium-term financial risk facing the Council. The Council is facing a significant gap between income and expenditure over the period of the updated Medium Term Financial Plan. This means that, even if the Council is able to navigate immediate financial challenges, then there remains significant financial challenges that will need to be addressed to secure financial sustainability. This is within the context of the reduced financial resilience of the Council due to the forecast reserves position at the end of 2025/26 currently predicted at a deficit of £12.789 million.

Evidence: The Internal Audit review, commissioned by the then Chief Executive, identified that the causes of the unanticipated deterioration in the forecast outturn between month 11 and month 12 of 2024/25 included; incorrect application of financial assumptions and monitoring, lack of clear communication between finance and Adult Social Care, missed opportunities to identify overspend earlier and lack of reporting on actuals that would have identified this issue. Issues were also identified with the accuracy and timeliness of data. These findings are indicative of a significant weakness in the Council's arrangements for securing value for money. The Month 5 financial reporting presented to Cabinet in September 2025 included the recommendation to declare a 'financial emergency' with the forecast overspend for 2025/26 of £35.531 million exceeding the available General Fund Reserves balance of £34.280 million. This is a further deterioration in the forecast outturn for 2025/26 of £0.362 million from the Month 4 financial reporting. Month 6 reporting indicates a further worsening of the position to a forecast overspend of £47.069 million. The updated MTFS published in October 2025 details the worsening of the forecast financial position of the Council, both in 2026/27 and across the MTFS period to 2030/31. The forecast gap for 2026/27 at the point of setting the 2025/26 budget was £36.193 million. This has now increased to a forecast gap of £81.677 million in the October 2025 update. The cumulative gap to 2030/31 is reported as £138.556 million. There is no clear plan on bridging this gap in a sustainable manner.

Impact: The failures in budget monitoring and reporting during 2024/25 placed additional stress on the financial resilience of the Council, reducing the level of reserves available to support the current year position. As a result the Council is at a real and imminent risk of having to issue a Section 114 Notice due to the impact that the forecast outturn would have on General Fund Reserves. Were the current year end forecast position to arise then there is the risk that the Council would be in an unlawful position. The implications of issuing a Section 114 Notice on Shropshire Council would be significant and include potential Secretary of State intervention if the position is deemed to be unlawful. Whilst the Council is liaising with MHCLG on further Exceptional Financial Support (EFS) it is important to recognise that this is only a temporary measure with the future need to repay any borrowing and the revenue implications of servicing the debt. Therefore, there is a need to understand and develop a plan that moves the Council to a more financially sustainable position over the medium term.

Financial sustainability and Governance – Statutory Recommendation (cont'd)

Statutory recommendation 1

SR1: The Council should:

- Continue, at pace, the action taken to address the financial challenges it faces, including an immediate review of all services, both statutory and non-statutory, and identify the cost of minimum viable service provision to deliver its statutory responsibilities. This will enable the Council to understand the scale of its structural deficit between the cost of services and the income available to the Council. This action should give the Council an understanding of immediate decisions and savings that can be delivered, replicating actions that would be taken were the Council to issue a Section 114 Notice.
- Review all estimates and modelling that feed into the development of the budget and MTFS to ensure that optimism bias is reduced or eliminated. This should enable the Council to mitigate variances in the actuals compared to budget resulting from over-optimism in assumptions.
- Develop a realistic and deliverable plan over the medium term as to how EFS will support the increase in financial resilience, and how the Council will reduce reliance on this support to reach a financially sustainable position. EFS should be temporary in nature and the Council needs to clearly articulate the plan for reaching a financially sustainable position without undue reliance on temporary sources of support, which increase the debt profile of the Council and the associated ongoing revenue costs of servicing this borrowing.
- Immediately action the recommendations raised in the Internal Audit review with regards to the budget monitoring and reporting issues that contributed to the significant deterioration in the 2024/25 outturn position. Audit and Governance Committee should receive a report on the progress of addressing the recommendations to avoid a similar situation occurring again in the future.

Financial sustainability – Key recommendation

Significant weakness identified in relation to financial sustainability in terms of savings delivery

Key Finding: Whilst the Council has delivered a significant quantum of savings over previous financial years, these have not been at the required level to deliver against the plan set out when establishing the budget for the year. This under-delivery of savings against plan has put additional strain on the financial sustainability of the Council. Our view is that the Council has been over-ambitious in setting savings targets that are achievable and deliverable.

Evidence: The 2024/25 budget was dependent upon the delivery of £90.006 million of savings in year. The Council delivered 52% of this target, equating to £47.914m. Whilst this is a significant figure it is well below the target set out in the budget. In 2025/26 the requirement is £59.876 million. At period 5, the expected delivery is 57% of this target, equating to £33.981 million.

Impact: Overambition in savings proposal and under-delivery of savings has increased the pressure on the financial resilience of the Council. In previous years it has increased the requirement to utilise reserves to balance the financial position, reducing the level of reserves available to the Council. For 2025/26 the anticipated under-delivery of savings directly contributes to the forecast overspend in year which is placing the Council at risk of issuing a Section 114 Notice.

Key recommendation 1

KR1: The Council should:

- review all savings programmes to scrutinise deliverability
- ensure that, when setting the budget for 2026/27 the savings programmes included are deliverable and achievable, and scenario plan for any slippage to support the financial position
- review the outputs from the PwC transformation work and identify initiatives that can be implemented at pace to support savings delivery

Financial sustainability – Key recommendation

Significant weakness identified in relation to financial sustainability in terms of Dedicated Schools Grant deficit

Key Finding: The Dedicated Schools Grant deficit held by Shropshire Council at 31 March 2025 was £17.639 million, an increase of £15.096 million from the opening position. Whilst the statutory override has been extended to 31 March 2028 the risk posed by the DSG deficit is significant. We are concerned that the mitigating action being taken by the Council is not managing the growth in the DSG deficit and if the statutory override is lifted on 31 March 2028 the deficit would need to be met by Council reserves, which will not be sufficient based on current levels.

Evidence: Whilst the Council has taken mitigating actions and has published an updated SEND and AP Strategy setting out steps to mitigate the growth in the DSG deficit, the forecast for 2025/26 is that there will be an increase in the DSG deficit of £19.323 million which would take the cumulative deficit to £36.888 million at 31 March 2026.

Impact: An extension to the Dedicated Schools Grant Statutory Override until the end of 2027/28 provides a safety net for the following two years but if the statutory override is not further extended in April 2028 the Council will become liable for the DSG deficit which would significantly impact its financial sustainability. This challenge is not unique to Shropshire and is a national issue linked to funding formulas. However, the risk to the Council remains whilst the current DSG deficit position remains.

Key recommendation 2

KR2: The Council should:

- continue to drive forward activity that seeks to mitigate the growth of the DSG deficit whilst continuing to engage through the Schools Forum on the management plan in place
- regularly reporting on the impact of mitigations should be made through the Schools Forum whilst also being reported to Cabinet as part of the overall financial monitoring reporting

Governance – Key recommendation

Significant weakness identified in relation to governance and ‘Limited Assurance’ rating from Internal Audit

Key finding: For the last 6 financial years the opinion of the Head of Policy and Governance (Internal Audit) on the internal control environment of Shropshire Council has been “Limited Assurance”. There has been little, if any, evidence of the Council improving this situation and seeking to address the findings of the Head of Policy and Governance (Internal Audit). This is indicative of a significant weakness in the Council’s arrangements for securing value for money.

Evidence: In 2024/25 the Head of Policy and Governance (Internal Audit) gave a “Limited Assurance” opinion on the internal control environment of the Council. This is the sixth year of this opinion and there has been limited progress in addressing the issues identified by Internal Audit. Our improvement recommendation in 2023/24 has not been addressed and the Head of Policy and Governance (Internal Audit) has indicated that there has been little improvement during 2025/26 to indicate that there will be a positive move from the “Limited Assurance” opinion.

Impact: A “Limited Assurance” opinion on the Council’s internal control environment for multiple years is indicative of failures of the Council to address issues raised by Internal Audit. The impact of this can be linked to the current financial sustainability challenges facing the Council as issues such as the significant movement in the 2024/25 overspend in Adult Social Care is attributable to weaknesses in the internal control environment. Failure to address this exposes the Council to increased risk of failures in internal control.

Key recommendation 3

KR3: The Council should:

- immediately create an action plan as to how to address the pervasive issues across the Council that are contributing to the “Limited Assurance” opinion from the Head of Policy and Governance (Internal Audit)
- the plan should be approved by the Audit and Governance Committee and there should be regular reporting to Audit and Governance Committee on progress against the plan
- appoint a lead officer to drive this improvement

Executive summary – auditor’s other responsibilities

This page summarises our opinion on the Council’s financial statements and sets out whether we have used any of the other powers available to us as the Council’s auditors.

Auditor’s responsibility	2024/25 outcome
Opinion on the Financial Statements	We anticipate to complete our audit of your financial statements and issue an unqualified audit opinion in December 2025, following the Audit and Governance Committee meeting on 27 November 2025. Our findings are set out in further detail on pages 18 to 21.
Use of auditor’s powers	<p>We have made written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.</p> <p>We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.</p> <p>We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.</p> <p>We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.</p>



03 Opinion on the financial statements and use of auditor's powers

Page 25

Opinion on the financial statements

These pages set out the key findings from our audit of the Council's financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

Audit opinion on the financial statements

We anticipate to issue an unqualified opinion on the Council's financial statements in December 2025.

The full opinion is included in the Council's Annual Report for 2024/25, which can be obtained from the Council's website.

Grant Thornton provides an independent opinion on whether the Council's financial statements:

give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended

- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Council provided draft accounts in line with the national deadline of 30 June 2025.

Draft financial statements were of a reasonable standard and supported by detailed working papers

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report was presented to the Council's Audit and Governance Committee on 27 November 2025. Requests for this Audit Findings Report should be directed to the Council.

Opinion on the pension fund statements

These pages set out the key findings from our audit of the pension fund financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

Audit opinion on the financial statements

We are required to issue:

- our opinion on the pension fund financial statements contained within the Council's Statement of Accounts and,
- our auditor's consistency report that the 2024/25 Shropshire County Pension Fund financial statements within the Pension Fund Annual Report are consistent, in all material aspects, with those within the Council's audited Statement of Accounts.

Page 27
We presented our Audit Findings Report to the Pensions Committee on 19 September 2025 and the Audit & Governance Committee on 26 September 2025. We reported that we intend to issue an unqualified opinion and an unqualified consistency report following the completion of the Council's audit (as Administering Authority).

Grant Thornton provides an independent opinion on whether the Pension Fund financial statements within the Council's Statement of Accounts:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2025 and of the amount and disposition at that date of the fund's assets and liabilities, other than liabilities to pay promised retirement benefits after the end of the fund year;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Pension Fund provided draft accounts in line with the national deadline.

Draft financial statements were of a good standard and supported by detailed working papers.

We identified a small number of classification and disclosure changes but have not identified any adjustments to the financial statements that impact upon the Pension Fund's reported financial position.

We identified £4.5m of unadjusted differences in the valuation of the Fund's investments disclosed in the financial statements at 31 March 2025 and the valuation statements received from the third-party investment managers. This is primarily driven by timing differences and management have determined not to amend for it on the basis that the differences are not material both quantitatively and qualitatively.

We have not raised any recommendations for management as a result of our audit work this year.

We propose to issue our 'consistency' opinion at the same time as we issue our final audit opinion on the Pension Fund financial statement as noted above. The statutory deadline for the Pension Fund Annual Report to be published is 1 December 2025. This is likely to be before the Council audit is completed so the Fund will need to publish its Annual Report without our consistency report but with an explanation for the delay on its website.

Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.



04 Value for Money commentary on arrangements

Page 29

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Council's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

Page 30



Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

In 2024/25, Shropshire Council delivered an outturn position of £34.230 million overspent. This equates to 13.1% of the 2025/26 net budget and was offset through the drawdown from General Fund reserves. In addition, £26.9 million of Exceptional Financial Support (‘EFS’) was used to fund transformation costs. The majority of this overspend was driven by the People Directorate where Adult Social Care and Children’s Services overspent by £31.2m, driven by demand-led inflationary pressures in Adult’s and increases in external residential payments in Children’s. There was a significant movement in the Adult Social Care outturn position in Month 12 of 2024/25 that increased the overspend by £15m. A significant change in the financial outturn in the final month of the year does not indicate robust financial management arrangements. As a result of this, the Council commissioned an Internal Audit review of the situation to establish the root cause and identify improvements to address the issues. The findings of this report are detailed in the Governance section of this report where we have identified a significant weakness in the Council’s arrangements and raised a key recommendation on page 15 of this report.

The outturn position for 2024/25 continues the theme of the Council not being able to deliver against its budget and deliver an overspend, a position that was also delivered in each of the previous 3 financial years. The scale of the overspend in 2024/25 has increased when compared to previous years and, as recognised in the LGA Peer Review and by the Section 151 Officer in a recommendation to Cabinet in September 2025 to declare a financial emergency, the Council is in a critical and precarious financial position. This position has worsened during 2025/26 as the financial monitoring for Period 5 shows a forecast overspend for the year of £35.531 million. This is a deterioration from the Period 4 of £0.362 million and would not be accommodated by the Council’s General Fund balance of £34.280 million. Recent Period 6 reporting indicates a further deterioration of the financial position with a forecast overspend of £47.069 million. On this basis the current financial projections for 2025/26 could put the Council in an unlawful financial position where General Fund reserves would be exhausted with a negative balance of £12.789 million. The deterioration in the position at Period 6 is following a detailed review that has looked at actual spend rather than forecast spend, removing optimism in the reporting and presenting a deteriorating position.

The Council’s immediate financial position is critical and puts Shropshire Council at clear risk of needing to issue a Section 114 Notice unless there is a rapid and immediate improvement in its financial position. Given the scale and severity of the financial sustainability challenges facing the Council we issued a letter to the Section 151 Officer dated 15 September 2025 expressing our concern of the situation and highlighting our consideration of exercising statutory powers under the Local Audit and Accountability Act 2014. Due to the subsequent deterioration in the forecast financial outturn and the gravity of the financial position, putting the Council at real risk of needing to issue a Section 114 Notice, we are exercising our statutory powers and raising a statutory recommendation with regards to Council’s arrangements for securing value for money. Further details of the statutory recommendation are detailed on page 11 and 12 of this report.

R

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
<div>Page 32</div> <p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them (cont'd)</p>	<p>Whilst we have focused on the scale of the financial challenges facing the Council we do recognise that the Council is acutely aware of the financial sustainability risk it faces and is taking steps to mitigate the issues and improve financial resilience. In the report from the Section 151 Officer to Cabinet on 10 September 2025 a recommendation was made for the Cabinet to “declare a financial emergency and direct the Chief Executive (in conjunction with the Council Leader) to instruct all Officers to take emergency action to reduce all non-essential spending....”. In addition to this the Council has acted upon recommendations raised in the LGA Peer Review to implement an externally supported, independently led Improvement Board. The Improvement Board is chaired by Tracie Langley. Also put in place are three Operations Board focused on challenging spend and ensuring that only essential spend is incurred. These Operations Boards include; Spending Control Board – overseeing all expenditure processed through the Council’s ERP system of over £500, Workforce Review Board – overseeing all recruitment and staffing activity and Technical Board – overseeing all income and grant funding. The Operations Boards have been in place since August 2025 and have had some positive outcomes in terms of challenging spend and driving behaviour changes within the Council. We do note that the current forecast outturn position for 2025/26 does include the full expected benefit of these Operations Boards of £2.515 million.</p> <p>Dedicated Schools Grant (DSG) deficits are a significant issue across the local government sector. The statutory override has been extended until 31 March 2028 but a permanent solution for this issue is yet to be implemented. For Shropshire Council the DSG deficit increased by £15.096 million during 2024/25 to a cumulative deficit of £17.639 million. The Council has taken a number of steps to try and mitigate the increase in the DSG deficit, including the building of additional capacity in mainstream schools. This has had the impact of slowing the growth trajectory on the most expensive placements. The SEND and AP Strategy was presented to Full Council in September 2025 and aims to support the management of the DSG deficit. The significant increase in the DSG deficit for 2024/25 means that we consider there to be a weakness in the council’s arrangements for securing value for money in relation to the DSG deficit. The management plan in place and the steps taken in relation to SEND are commendable and we will continue to review the impact that these have on the Council’s DSG deficit. Whilst these actions are being taken by the Council the DSG deficit for 2025/26, as reported to the Schools Forum in September 2025, is forecast to be £19.323 million. This would take the cumulative DSG deficit to £36.888 million at 31 March 2026. Based on the forecast increase in the DSG deficit, despite the mitigating actions taken by the Council, and the scale of the cumulative deficit compared to the level of General Fund reserves held by the Council, we consider there to be a significant weakness in arrangements for securing value for money. On that basis a key recommendation has been raised on page 14 of this report.</p>	<div>R</div>
<div>G</div>	No significant weaknesses or improvement recommendations.	
<div>A</div>	No significant weaknesses, improvement recommendations made.	
<div>R</div>	Significant weaknesses in arrangements identified and key recommendation(s) made.	

Financial sustainability – commentary on arrangements

We considered
how the Council: **Commentary on arrangements**

Rati
ng

Plans to bridge its
funding gaps and
identify
achievable
savings

The 2024/25 budget for Shropshire Council was dependent upon the delivery of £90.006 million of savings. The actual delivery of savings for 2024/25 was £47.194m, equating to 52% of the savings target. Delivery of this value in 2024/25 is a significant achievement but the fact remains that 48% of the savings target was undelivered, indicating the scale of the financial challenge the Council faces. The non-delivery of these savings had a significant impact on the financial outturn for 2024/25, the delivery of an overspend and the pressure this has placed on General Fund reserves. In addition to this the Council was reliant on £26.9 million of Exceptional Financial Support ('EFS') to fund the transformation programme.

As highlighted in previous Auditors Annual Report's, the savings dashboard that the Council maintains is robust and clearly tracks and monitors savings targets and delivery. This ensures that the Council has a clear view on its savings and performance on savings delivery. However, this does not mitigate the fact that in 2024/25 the Council significantly undelivered on its savings targets and this has had a clear impact on the financial sustainability of the Council.

The 2025/26 budget set by the Council sets out a savings requirement of £59.876 million, a figure that exceeds the level of savings delivered in 2024/25. This figure consists of £7.7 million of new savings, £10.9 million of demand mitigation proposals and £41.3 million of savings carried forward from prior year. Therefore, once again the Council has identified savings required to balance its budget, but achieving the required level of savings remains a significant challenge. The most recent financial monitoring to period 5 of 2025/26 reports that the £25.043 million of savings are projected to be delivered by year end and there are indicative plans for £8.938 million of savings. This equates to 56.8% of savings identified for 2025/26. Therefore, there remains £25.894 million (43.2%) of savings that are at significant risk of non-delivery. For 2025/26 the Council was in receipt of £26.9 million of EFS but the current financial challenges facing the Council mean that this figure is likely to increase and the Council is actively having discussions with MHCLG on this.

On this basis we have identified concerns over the realism and deliverability of savings plans set out by the Council. Consistent under-delivery of savings targets has increased the financial pressure on the Council to its current position. This issue was also highlighted in the LGA Peer Review, expressing "limited confidence that savings plans can be delivered by the council". The MTFS published by the Council as part of the 2025/26 budget setting process identified a cumulative funding gap of £63.288 million to 2029/30, assuming delivery of the 2025/26 budget. There will be under-delivery of savings and an overspend for 2025/26 and this will put additional pressure on future years and require the Council to develop a comprehensive savings programme to navigate this. The over-ambition and under-delivery of savings plans in 2024/25 and the projected performance for 2025/26 have resulted in us raising a significant weakness in the Council's arrangements for securing value for money. Establishing a comprehensive yet deliverable savings programme for future years will be critical to secure financial sustainability and this forms part of our statutory recommendation detailed on pages 11 and 12 of this report.

R

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

plans to bridge its funding gaps and identify achievable savings (cont'd)

During 2024/25, the Council continued to work with PwC on a council-wide transformation programme. Given the financial position of the Council there is a clear need for transformation activity to drive efficiencies and savings. However, the transformation work has not delivered savings at the pace and scale required to address the financial challenges facing the Council. The work has enabled the Council to design and implement its new operating model but there are areas where the pace of delivery has not been anticipated and this has resulted in under-delivery of savings. The LGA Peer Review has recommended that the Council “prepare a clear whole council transformation plan that carries the aspirations and narrative for the future council and accurately aligns the resources for delivery. Ensure this is realistic widely understood and shared”. Where appropriate the Council should build on existing transformation work and ensure that delivery meets the pace and scale required to address the financial challenge facing the Council. Our key recommendation raised on page 13 of this report addresses this theme.

R

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

In May 2025 the local elections saw control of the Council move to the Liberal Democrats. The Shropshire Plan for 2022-25 was timed to end of the point of the elections and for an updated plan to be developed by the new administration. It is anticipated that an updated Shropshire Plan will be published by December 2025, setting out the strategic plan of the organisation. As highlighted in the LGA Peer Review, the development of a new Shropshire Plan creates an opportunity to set out the ambition for Shropshire and the organisation. The context of the Council’s finances are critical for this plan and we will continue to monitor the development of the plan.

The previous Shropshire Plan was centred around four main strategic priorities of “Healthy People, Healthy Economy, Healthy Environment and Healthy Organisation”. The financial position of the Council is indicative that Shropshire Council is far from being financially healthy. The immediate nature of the financial challenges facing the Council means that focus is on navigating these short-term challenges to move the organisation to a more financially sustainable position. Whilst this is critical there is also a need for the Council to consider how it becomes financially sustainable over the medium-term and the longer-term. The MTFS published as part of the 2025/26 budget setting process details a cumulative funding gap of £63.289 million which indicates that the medium-term financial position of the Council is far from secure. The updated MTFS published in October 2025 details the deterioration in the medium-term financial outlook for the Council. In the February 2025 MTFS the forecast gap for 2026/27 was £36.193 million. This has increased to £81.677 million in October 2025 and the cumulative funding gap for the Council is £138.556 million to 2030/31.

Securing financial sustainability is critical for the Council to deliver on its strategic priorities and the development of the new Shropshire Plan, alongside the MTFS, offers an opportunity to align strategic priorities with financial planning. Whilst the current MTFS is aligned with the previous financial plan the precarious nature of the Council’s finances mean that the sustainable delivery of services is threatened. On this basis, we consider there to be a risk of significant weakness in the Council’s arrangements for securing value for money. We have raised a statutory recommendation detailed on pages 11 and 12 of this report.

R

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:

Commentary on arrangements

Rating

Page 36 ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	<p>Shropshire Council demonstrates alignment between its financial planning and strategic objectives, including workforce, asset management, and net zero commitments. The Medium-Term Financial Strategy (MTFS), Treasury Management Strategy, and quarterly financial reports reflect investment decisions that support service transformation and organisational redesign such as £58.2 million in new borrowing during Q4 2024/25 to fund capital programmes.</p>	A
	<p>Workforce planning is acknowledged in financial strategy through vacancy management and agency cost controls, though there is no formal workforce plan linked to budget priorities. As part of the spending control measures that the Council has put in place there is a Workforce Review Board responsible for reviewing all spend and decisions around workforce. The Council has adopted a pragmatic approach to the Workforce Review Board by balancing the financial challenges with the needs of service areas when making decisions.</p>	
	<p>Shropshire Council has arrangements in place to manage its capital programme in line with strategic objectives, although some areas could benefit from clearer documentation and more consistent reporting. The Council’s Treasury Management Updates for Quarters 3 and 4 of 2024/25 indicate that capital investment decisions are aligned with the Shropshire Plan and broader transformation goals. For example, in Quarter 4, the Council undertook £58.2 million in new borrowing to support the capital programme and replace internal borrowing, including £26.9 million linked to a government-approved capitalisation direction. In terms of delivery, the Council reports progress on the capital programme through quarterly updates. Slippage is acknowledged and explained, such as the need to secure short-term funds to manage cash flow at month-end. However, while slippage is reported, there is limited detail on whether it is identified and addressed promptly or only at quarter-end. The reasons for slippage such as delays in capital receipt generation or project delivery are discussed, but not always in granular detail. On this basis we have raised an improvement recommendation detailed on page 30 of this report.</p>	
	<p>On net zero, the Council maintains a low-carbon investment portfolio, but there is limited evidence of how broader carbon reduction initiatives are funded through revenue or capital budgets.</p>	
	<p>Treasury management arrangements are sound, with borrowing and investment decisions aligned to strategic goals and prudential indicators. The shift from internal to external borrowing is well-documented and justified by declining reserves. Financial reporting is consistent across budget, outturn, and financial statements, though delays in external audit introduce some risk. The Council’s Strategic Operating Model supports service redesign and financial sustainability, with notable improvements in Children’s Services and alignment to national initiatives.</p>	

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:

Commentary on arrangements

Rating

<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>The Council is very clear in articulating the financial risks that it faces with the Section 151 Officer making the recommendation to Cabinet in September 2025 to declare a ‘financial emergency’. Steps have also been taken to try to mitigate the financial risks through the establishment of spending control boards and the use of Exceptional Financial support. However, the forecast outturn for 2025/26 at period 5 would see the Council fully exhaust its General Fund reserves. Therefore, the ability of the Council to manage any unexpected financial risks and to be financially resilient has been compromised. This poses significant financial risk and is covered in our statutory recommendation raised with regards to financial sustainability.</p> <p>Given the forecast outturn position for 2025/26 the MTFS published as part of the 2025/26 budget setting process is also compromised. Before the forecast outturn position for this financial year the Council had a significant budget gap over the MTFS period and no clear plan on how this budget gap would be closed, and how financial resilience will be improved. As raised in the LGA Peer Review, the Council currently does not have a clearly articulated plan across the MTFS period on its route to financial stability and is something that should be a core focus.</p> <p>The Council continues to work to address its financial challenges and the reporting of the challenge across the organisation is clear and transparent. The Council is also exploring all possible options available with regards to securing greater financial sustainability. However, given the gravity of the financial challenge facing Shropshire Council we have raised a statutory recommendation, as detailed on pages 11 and 12 of this report.</p> <p>In addition to the immediate financial risks facing the Council we also note the continued financial risks that the North-West Relief Road (‘NWRR’) poses to the Council. Work on the NWRR has been paused following the change in administration in May 2025 but a resolution to the financial issues that the Council could face were the project cancelled and the Council be required to repay funding received from government has yet to be reached. We are comfortable that the Council is exploring all possible options to mitigate this risk but note that the financial risk remains within the context of the Council’s weakened financial resilience.</p>	<p>R</p>
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- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability (continued)

Area for Improvement identified: Capital reporting

Key Finding: The Council could improve its capital reporting to provide greater detail on action taken on slippage and the reason for slippage.

Evidence: Whilst the Council does acknowledge and explain slippage in its capital reporting the reports do not provide a granular level of detail on the reasons for slippage and the action taken to address slippage.

Impact: Delivery against the capital programme is a critical part of the Council's financial position. Slippage against a capital programme is a risk and improved reporting and increased granular detail will provide Members with greater detail on the corrective action being taken.

Improvement Recommendation 1

IR1: The Council should: review its approach to reporting on slippage against the capital programme and, as appropriate, enhance the detail of reporting.

Governance – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	<p>The Head of Policy and Governance (Internal Audit)’s opinion for 2024/25 continued to provide a “Limited Assurance” opinion on the Council’s internal control environment, consistent with the opinion provided for the previous 5 years. This is of significant concern to us and indicates that the Council has made little progress in improving this opinion and strengthening the internal control environment. As highlighted in our Auditors Annual Report for 2023/24, the continuation of this opinion from the Head of Policy and Governance (Internal Audit) is indicative of the Council not taking the findings of Internal Audit seriously enough or Internal Audit not being firm enough in its enforcement of action. Our improvement recommendation raised in 2023/24 recommended that the Council develop a plan to demonstrate how it will improve on its “Limited Assurance” opinion. We have seen no evidence of this plan or any impact in addressing the “Limited Assurance” opinion in 2024/25. From discussions with the Head of Policy and Governance (Internal Audit) there is no evidence of improvement in 2025/26 with the pattern remaining similar as in previous years. As there has been little, if any, progress in addressing this recommendation and within the context of the financial position of the Council we consider this issue to now be indicative of a significant weakness in the Council’s arrangements for securing value for money and have raised a key recommendation on page 15 of this report.</p> <p>With regards to risk management the Council maintains a Strategic Risk register which is reviewed on a bi-annual basis and are managed by allocated Executive Directors. There are currently 11 strategic risks with 3 being rated as the most significant. These relate to; cyber-attack, financial sustainability and setting a balanced budget. The Council has appropriate arrangements in place for managing risk.</p>	R
approaches and carries out its annual budget setting process	<p>Shropshire Council has a robust and comprehensive annual budget-setting process in place for 2025/26, as evidenced by its Medium Term Financial Strategy (MTFS) 2025/26–2029/30. The process is clearly aligned with The Shropshire Plan and involves extensive engagement with directors, service managers, and elected members. Services are required to identify growth, pressures, and savings, supported by consistent business planning templates and budget guidelines. The MTFS confirms that budgets are reviewed and signed off by senior managers before being presented to Cabinet, and that alternative budget scenarios and savings proposals are considered and consulted on. Public consultation and internal engagement, including with opposition parties, are embedded in the process. Service budget plans are subject to check and challenge, and the final budget is explicitly linked to the medium-term financial plan. The Council also undertakes detailed financial modelling, risk assessments, and scenario planning to ensure the budget is deliverable and resilient, with regular monitoring and updates provided to Cabinet throughout the year. In spite of this the Council continues to face significant financial pressure. We note that the LGA Peer Review highlighted “serious concern” that the budget process had not commenced at the point of their review. Given the financial position of the Council we encourage the budget process to be a key priority. The current financial challenges facing the Council, particularly the 2024/25 outturn and the projected outturn for 2025/26, is attributable to over-optimism in the budget setting process around savings delivery and pressure mitigation. This poses a significant risk to the Council and is captured within the key recommendation raised on page 13 and the statutory recommendation raised on pages 11 and 12 of this report.</p>	R

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	<p>In previous years we have reported that Shropshire Council has strong arrangements in place for in-year budget monitoring and financial reporting. The Finance Monitoring Reports provides timely, accurate, and integrated financial and non-financial data, supporting Cabinet and Audit and Governance Committee oversight. It clearly explains variances, cost pressures, and mitigation actions, including a £34.2 million revenue overspend and underperformance in key service areas. Whilst these arrangements on reporting financial performance remain in place and robust, the deterioration in the Adult Social Care forecast outturn between month 11 and month 12 reporting highlights concerns around effective budget control within the Council. As a result of this issue an Internal Audit review was commissioned and a number of failing were identified in relation the financial monitoring process of Adult Social Care outturn for 2024/25. These issues include; incorrect application of financial assumptions and monitoring, lack of clear communication between finance and Adult Social Care, missed opportunities to identify overspend earlier, lack of reporting on actuals which would have highlighted issue and issues around accuracy and timeliness of data. Due to the failure of financial monitoring and reporting putting additional, unanticipated, pressure on reserves in 2024/25, reducing financial resilience moving into 2025/26 we consider there to be a significant weakness in the Council’s arrangements for securing value for money and have raised a statutory recommendation on pages 11 and 12 of this report.</p> <p>The Council meets the CIPFA Treasury Management Code requirements, providing an annual strategy, mid-year review, and annual performance report. These documents detail investment and borrowing activity, compliance with prudential indicators, and adjustments due to reduced internal cash balances. Budgetary responsibilities are clearly defined in the Council’s Constitution and Financial Rules, ensuring accountability across all levels of management.</p> <p>Shropshire Council has taken steps to strengthen budget management capacity and accountability, including providing ERP system access and tailored training for budget holders, supported by virtual clinics and help tools. Monthly budget monitoring reports are shared with Cabinet, and directorate-level scrutiny is evident, particularly in Children’s Services and corporate finance. Financial performance is integrated into the Council’s broader performance framework aligned with The Shropshire Plan.</p> <p>Internal Audit have also identified issues in relation to the oversight and responsibility of budget holders within Children Social Care. The review identified that there was an opportunity to improve budget accountability by ensuring the most suitable person is monitoring and reporting the budget position. Steps have been taken to address the recommendations raised by Internal Audit but this issue is also indicative of weaknesses in the Councils arrangements. No improvement recommendation has been raised given action taken by the Council but is important to be highlighted given our overall findings.</p>	R
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- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p> <p>Page 41</p>	<p>Shropshire Council has well-established governance arrangements that support transparent and accountable decision-making. The Council's Constitution clearly outlines roles and responsibilities, and Cabinet papers and minutes demonstrate structured decision-making, with clear distinctions between items for decision and for noting. Public engagement, declarations of interest, and detailed supporting reports further reinforce transparency. No evidence of inappropriate or unlawful decisions was identified.</p> <p>The Council's Overview and Scrutiny Committees are active and aligned with strategic priorities, providing effective challenge and contributing to informed decision-making. Scrutiny is supported by access to the Cabinet's forward plan, officer input, and formal mechanisms such as call-ins.</p> <p>Senior management demonstrates a unified and transparent approach to financial challenges, with collaborative working and consistent messaging through financial dashboards. The Audit and Governance Committee provides appropriate challenge and oversight of internal audit performance, with regular reporting and access to senior leadership.</p> <p>Governance arrangements also extend to partnerships and shared services, with oversight mechanisms such as supervisory boards, shareholder agreements, and joint committees. While the Council has recognised the need to modernise partnership governance, current arrangements provide clarity and accountability.</p>	G
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>Shropshire Council has established arrangements to ensure compliance with legislative and regulatory standards across governance, internal audit, and procurement. Its Internal Audit function operates in line with Public Sector Internal Audit Standards (PSIAS) and is preparing to transition to the Global Internal Audit Standards (GIAS) from April 2025. The Internal Audit Charter is reviewed annually, and auditors adhere to ethical codes and the Nolan Principles. Training and professional development are embedded, and the Chief Audit Executive has direct access to senior leadership, supporting transparency and escalation of governance concerns.</p> <p>The Council's Annual Governance Statement (AGS) for 2024/25 reports no significant breaches of legislation, and internal audit provides assurance on compliance and control effectiveness. Procurement arrangements are aligned with the Procurement Act 2023, with updated strategies and Contract Standing Orders reflecting new requirements.</p>	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
Arranged the governance and funding of the North West Relief Road (NWRR) project	In June 2025 it was announced by Shropshire Council that all work on the NWRR was to be paused following a meeting with DfT, highlighting the significant funding gap with the scheme. Whilst work has been paused we consider it important to review the governance arrangements following the significant weakness raised in our 2023/24 Annual Auditors Report. In June 2025, Audit and Governance Committee were presented with a NWRR Management Update. This provided an updated on the actions taken to address the recommendations raised. We note from this report that the level of assurance from Internal Audit has increased from "unsatisfactory" to "reasonable" and the recommendations we previously raised have been implemented. On that basis we no longer consider there to be a significant weakness in the governance arrangements in relation to the NWRR. Given that the project has been paused and our previous work highlighted a financial risk around cancellation of the project we have remained in discussion with the Section 151 Officer on how the Council is managing this risk were the decision made to cancel the project. We are comfortable that the Council are taking appropriate steps to mitigate the potential financial risk through discussions with DfT. We do note that, were a financial risk to materialise in relation to NWRR then this would put additional pressure on the already precarious financial position of the Council.	G

Page 42

- G

 No significant weaknesses or improvement recommendations.
- A

 No significant weaknesses, improvement recommendations made.
- R

 Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

Page 43	uses financial and performance information to assess performance to identify areas for improvement	<p>Shropshire Council demonstrates a mature and integrated approach to performance management, regularly reporting on financial and non-financial performance through quarterly Cabinet reports aligned with the Shropshire Plan. These reports include strategic Key Performance Indicators (KPIs), highlight underperformance, and outline remedial actions. A real-time dashboard enhances transparency and supports internal decision-making, while external regulatory data (e.g. Ofsted, CQC) informs service improvement—evidenced by Children’s Services receiving an “Outstanding” Ofsted rating in 2025. The LGA Peer Review highlighted that these performance dashboards are being used to identify areas for improvement and target intervention whilst also identifying potential areas for improvement.</p> <p>The Council uses benchmarking to assess performance and drive improvement. It also employs tools like the Local Insight Data Tool to support evidence-based planning. While data governance is supported by policies and frameworks, there is no standalone, up-to-date Data Quality Policy, and internal audit has not recently issued a dedicated report on data quality. The Internal Audit Annual Opinion highlights control environment concerns, suggesting that data quality assurance processes could be strengthened. The Audit and Governance Committee has acknowledged these issues and is taking steps to improve oversight, our findings in relation to this issue is detailed within the Governance section of this report.</p>	G
	evaluates the services it provides to assess performance and identify areas for improvement	<p>In 2024/25, Shropshire Council underwent several external inspections and reviews that led to improvement plans and Cabinet-level oversight. Ofsted rated Children’s Services as “Outstanding” in July 2025, following a focused visit in late 2023 that triggered a formal improvement plan monitored by the Children’s Improvement Board and reported to Cabinet.</p> <p>A LGA Corporate Peer Challenge in July 2025 and a CIPFA resilience review highlighted severe financial distress and governance concerns, prompting strategic recovery efforts. While no formal government interventions (e.g. commissioners or Best Value Notices) were issued, the Council faces a projected overspend exceeding £35 million, risking a Section 114 notice. The LGA Peer Review identified 10 recommendations for the Council to consider and we have raised an improvement recommendation for the Council to address these recommendations and report on progress to Audit and Governance Committee.</p> <p>Progress on external audit recommendations was tracked through the Audit and Governance Committee, with reasonable assurance reported and follow-up actions implemented. The Local Government Ombudsman’s annual report flagged service quality issues in Highways, Waste, and Planning, with Cabinet approving measures to improve complaint handling. Overall, there is evidence of improvement planning, monitoring, and assurance reporting, though financial sustainability and efficiency remain key challenges and have been addressed elsewhere in this report.</p>	A

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council: **Commentary on arrangements**

Rating

<p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p>	<p>Shropshire Council demonstrates strong stakeholder and partnership engagement in shaping and delivering its strategic priorities. It maintains formal governance frameworks such as the Shropshire Accord and Memoranda of Understanding with a range of partners including town groups, business networks, statutory bodies, and health systems. Strategic priorities are reviewed regularly through the Shropshire Plan and monitored via quarterly Cabinet reports, which include performance updates and risk escalation.</p> <p>Public engagement is embedded in decision-making, with consultations and surveys influencing budget allocations and savings plans. Performance Monitoring Reports use KPIs and RAG ratings to track delivery outcomes, and portfolio holders oversee specific partnership areas. Risks are identified and addressed through structured governance, such as the Children’s Improvement Board.</p>	<p>G</p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>Shropshire Council has robust arrangements in place to manage commissioned contracts, commercial ventures, capital projects, and procurement activities. It maintains a contracts register and uses risk assessments, KPIs, and regular supplier meetings to monitor performance and ensure expected benefits are realised. Fraud risks are mitigated through a Counter Fraud Strategy and participation in the National Fraud Initiative, with oversight from Internal Audit and the Audit and Governance Committee.</p> <p>Where the Council has entered into significant commercial ventures, this has been supported by business cases, member scrutiny, and external advice. Lessons from past investments have informed its approach, and oversight is provided by the Enterprise & Growth Scrutiny Committee. While financial pressures have led to operational challenges, no systemic failures were identified in 2024/25.</p> <p>2024/25 was a year of significant change for the Procurement function of Shropshire Council due to the loss of a significant number of staff through the redundancy programme. Therefore, the focus for the year was on keeping the function operating and planning for expanding the resource available. Despite being challenging our review has not identified any issues relating to procurement with continued progress in reducing the use of waivers. There has also been approval of investment into increasing the resources of the Procurement function.</p> <p>Capital projects are governed by the Capital Strategy, with quarterly performance reporting and compliance with grant conditions. Improvements in forecasting and member engagement have been implemented to manage delivery risks. Procurement is guided by a strategy aligned with the Shropshire Plan, and the Council engages in collaborative initiatives to drive efficiencies. It uses frameworks and innovation systems to streamline processes and has adopted national reforms under the Procurement Act 2023. Overall, the Council’s governance and oversight mechanisms support transparency, value for money, and strategic alignment across its commercial and procurement activities.</p>	<p>G</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness (cont'd)

Area for Improvement: contract management

Key Finding: In July 2025 the Council was subject to a Local Government Association Corporate Peer Review. The findings of this review were published in September 2025 and identified that the Council is in “severe financial distress”. The review has raised 10 recommendations for the Council to consider.

Evidence: The Corporate Peer Review identified a range of observations of the position of Shropshire Council that align with the findings detailed in this report. A total of 10 recommendations have been raised for the Council to consider. The findings of the Corporate Peer Review can be found here - <https://www.local.gov.uk/our-support/council-assurance-and-peer-challenge/peer-challenges-we-offer/corporate-peer-178#1-introduction>

Impact: Failure to address the recommendations raised in the Corporate Peer Review would be indicative that the Council has failed to address the challenges contributing to its current financial position.

Improvement Recommendation 2

IR2: The Council should – develop a clear action plan for addressing the recommendations raised in the Corporate Peer Review. This action plan should be led by appropriate senior officers and progress reported to Audit and Governance Committee on a timely basis. We note that the Council has already taken steps to address this recommendation with an Action Plan being taken to Cabinet on 15 October 2025 with the Section 151 Officer named as the Lead Officer. There is a plan to follow this through to Improvement Board to monitor progress.

Pension Fund

The Council is the administering authority for the Shropshire County Council Pension Fund. As part of our VfM work we are required to consider the Council’s arrangements in respect of the Pension Fund.

We considered the
Pension Fund’s:

Commentary on arrangements

Rating

Financial Sustainability: sufficiency of funds to meet liabilities	The primary resources of the Pension Fund can be categorised into contributions received from active members and returns on investments (interest, dividends, profit on disposal etc). In line with regulations, the Fund is required to be formally valued every three years (triennial valuation) by a qualified actuary. As part of this exercise, the actuary will undertake an in-depth review of the Fund based on its current funding plans i.e. the level of assets required to meet future benefit payments, the time period over which it aims to achieve this and then determines the contribution rate at which employer bodies must contribute for the following three years. This also outlines that for major employers, rates may be paid in advance to the fund to cover the three year period. This should be considered in line with the funding strategy statement. The investment activity of the Fund is dictated by the investment strategy statement which sets out the type of investments that Pension Fund money should be invested in, indicative allocations and expected returns and volatilities. The performance of these investments is then monitored by the Pensions Committee and copies of the reports sent to the Pension Board for information.	G
Governance: appropriateness of governance arrangements	The operation of the Pension Fund is overseen and scrutinised by The Local Pension Board and which assists the administering authority in ensuring compliance with legislation and the Pension Regulator's requirements. Members consider reports on policy, regulation, codes of practice, risk and fund performance (both investment and administrative). The Pensions Committee has a primary focus on the oversight of the general framework within which the Fund’s investments are managed and the investment policy. Members are responsible for monitoring the work of the fund managers and the investment pool, LGPS Central Limited, and holding these external bodies to account for performance. All of the above have met a number of times during the financial period and Members discharge their responsibilities and make informed decisions based on sufficient and appropriate information.	
Improving Economy, Efficiency and Effectiveness: annual report findings	The Local Pensions Board are provided with all Pension Committee reports and are also invited to Pension Committee meetings . A more detailed analysis of funding and performance is considered by the Pensions Committee and this is prepared by the actuary and reviewed in both the public and private sessions due to some content being of a commercially sensitive nature. The detailed report provides members with information on valuation, sensitivity and benchmarking, in order to determine potential areas for improvement in investment activity. The Fund produce quarterly reports to update the Local Pensions Board on the key developments affecting pensions administration and the performance of the Pensions Administration Service. This covers a suite of KPIs and measure of performance against these indicators, therefore identifying areas for improvement. The report also monitors workloads, breaches of policy and other projects ongoing to improve the service. The output of the performance of the Fund in the year is captured in the Pension Fund annual report.	

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

05 Summary of Value for Money Recommendations raised in 2024/25

Page 47

Statutory recommendations raised in 2024/25

Page 48
SR1

Recommendation	Relates to	Management Actions
<p>The Council should: continue, at pace, the action taken to address the financial challenges it faces. In addition, the Council should undertake an immediate review of all service, both statutory and non-statutory, and identify the cost of minimum viable service provision. This will enable the Council to understand the scale of its structural deficit between the cost of service and the income available to the Council. This action should give the Council an understanding of immediate decisions and savings that can be delivered, replicating actions that would be taken were the Council to issue a Section 114 Notice. The Council develop a realistic and deliverable plan over the medium term as to how Exceptional Financial Support will support the increase in financial resilience, and how the Council will reduce reliance on this support to reach a financially sustainable position. Exceptional Financial Support should be temporary in nature and the Council needs to clearly articulate the plan for reaching a financially sustainable position without undue reliance on temporary sources of support. The Council should also immediately action the recommendations raised in the Internal Audit review and report to Audit and Governance Committee on the progress of addressing the recommendations to avoid a similar situation occurring again in the future.</p>	<p>Financial sustainability and Governance</p>	<p>Actions: The Council acknowledges the seriousness of the financial challenges it faces and is committed to taking decisive and sustained action to address them. A series of reports are due to be considered by Cabinet on 3 December 2025 that will directly tackle the issues raised in this statutory recommendation. This will include:</p> <ul style="list-style-type: none">• Shropshire Council Improvement Plan – setting a roadmap over the next 18 months to improvement• Medium Term Financial Strategy – creating the foundations for a move to a stabilised and, over the medium term, a sustainable budget• Capital Strategy – setting out the initial approach to bringing about a stabilised approach to capital investment• Pre-Budget Report – setting out the technical financial actions being taken to tackle the issue of Section 114 and how the MTFS, Capital Strategy, Treasury Strategy, Reserves Strategy and Exceptional Financial Support Strategy will work, in tandem with the Improvement Plan, to bring about financial stability <p>Council is due to approve the 2026/27 Budget and MTFS in February 2026 which will provide a direct response to this Statutory Recommendation</p> <p>Responsible Officer: James Walton – Section 151 Officer</p> <p>Due Date: 26 February 2026</p>

Key recommendations raised in 2024/25

Recommendation		Relates to	Management Actions
Page 49	KR1	The Council should: review all savings programmes to scrutinise deliverability and ensure that, when setting the budget for 2026/27 the savings programmes included are deliverable and achievable. There is likely to be slippage in savings delivery due to a number of factors but the Council should set out plans that are clearly deliverable to support the financial position. The Council should also review the outputs from the PwC transformation work and identify initiatives that can be implemented at pace to support savings delivery.	Financial sustainability Actions: This is covered in the documents referred to in the Management Actions for Statutory Recommendation 1 Responsible Officer: James Walton – Section 151 Officer Due Date: 26 February 2026
	KR2	The Council should: continue to drive forward activity that seeks to mitigate the growth of the DSG deficit whilst continuing to engage through the Schools Forum on the management plan in place. Regular reporting on the impact of mitigations should be made through the Schools Forum whilst also being reported to Cabinet as part of the overall financial monitoring reporting.	Financial sustainability Actions: A DSG Deficit Recovery Plan has been drafted and the working version shared with the DfE in July 2025. Updates to the management plan and wider activity to deliver the new Shropshire SEND and AP Strategy are reported to Schools Forum and the SEND and AP Partnership Board. The latest working version of the DSG management plan will be reported and shared as part of the suite of documents that underpin the MTFS Responsible Officer: David Shaw – Director of Children’s Services Due Date: 26 February 2026

Key recommendations raised in 2024/25

Recommendation		Relates to	Management Actions
KR3	The Council should: immediately create an action plan as to how to address the pervasive issues across the Council that are contributing to the “Limited Assurance” opinion from the Head of Policy and Governance (Internal Audit). This plan should be approved by the Audit and Governance Committee and there should be regular reporting to Audit and Governance Committee on progress against the plan. We recommend that a lead officer is appointed to drive this improvement.	Governance	Actions: An immediate response from the Leader and Interim Chief Executive is included on the Audit and Governance Committee agenda for 27 December 2026. An Action Plan is being drawn up and agreed via the Statutory Officers Group and will be published as part of the reassurance to Council with the MTFS papers in February 2026
			Responsible Officer: Tanya Miles – Interim Chief Executive Due Date: 26 February 2026

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
Page 51	IR1 The Council should: review its approach to reporting on slippage against the capital programme and, as appropriate, enhance the detail of reporting.	Financial sustainability	<p>Actions: From 2026/27 there is a planned overhaul of the financial monitoring process. Slippage in the capital programme is carefully monitored and managed already, although more detailed reporting will be introduced in 2026/27 as appropriate.</p> <p>Responsible Officer: James Walton – Section 151 Officer</p> <p>Due Date: 30 June 2026</p>
	IR2 The Council should – develop a clear action plan for addressing the recommendations raised in the Corporate Peer Review. This action plan should be led by appropriate senior officers and progress reported to Audit and Governance Committee on a timely basis. We note that the Council has already taken steps to address this recommendation with an Action Plan being taken to Cabinet on 15 October 2025 with the Section 151 Officer names as the Lead Officer. There is a plan to follow this through to Improvement Board to monitor progress.	Improvement economy, efficiency and effectiveness	<p>Actions: The Action Plan from the Corporate Peer Challenge has been reported to Cabinet and implementation of these actions will be reported regularly as part of the Improvement Plan process incorporating the Improvement Board. Should Audit and Governance Committee wish to review this that can be added to the workplan and appropriate agendas. Council is due to consider the Improvement Plan on 11 December 2025</p> <p>Responsible Officer: James Walton – Section 151 Officer</p> <p>Due Date: 11 December 2025</p>

06 Follow up of previous Key recommendations

Follow up of 2023/24 Key recommendations

KR1
Page 53

Prior Recommendation	Raised	Progress	Current status	Further action
<p>The Council should re-consider all aspects of service delivery in order to ensure financial sustainability with efforts being direct toward:</p> <ul style="list-style-type: none">• The identification and delivery of savings that reduce the indicative budget gaps in 2025/26 and in future years along with supporting the replenishment of reserves. These should be realistic, evidence-based targets• Ensure that there are alternative options to deliver a balanced MTFS in future years, reducing reliance on one-off measures to support the revenue budget (including non-recurrent savings, one-off grants and reserves) and, if required, how the reduction or removal of services in its long term plan fits with its organisational strategy and the priorities of stakeholders.	2023/24	<p>The financial position of the Council has deteriorated and the Council is at real risk of issuing a Section 114 Notice. The savings included in the 2025/26 budget have been overly optimistic, consistent with previous years, leading to forecast overspend at year end. The Council has not been able to address the financial sustainability challenges.</p>	Limited progress made	<p>Due to the deterioration in the financial position of the Council, both immediately and over the medium-term, we have raised a statutory recommendation.</p>

Follow up of 2023/24 Key recommendations

Page 54

Prior Recommendation	Raised	Progress	Current status	Further action
<p>The Council should review its governance and reporting arrangements relating to the NWRR and formalise these arrangements more effectively. Specifically the Council should:</p> <ul style="list-style-type: none">Formalise the NWRR Executive Board with terms of reference; standing attendees, including S151 Officer, Executive Director – Place, Executive Manager – Strategic Projects, Portfolio Holder for Highways, and Council Leader. The board should meet on a monthly basis with formal minutes taken and action log maintained. Risk should remain a standing item for each meeting, including the risk of cancellation of the project. This will ensure that key stakeholders are sighted on project status.Formalise the funding plan as a matter of urgency. This should detail options for funding the scheme, including associated cost of borrowing, and scenario planning in relation to LTF funding, assuming different funding profiles.Monitoring of budget delegations: The Project Lead should ensure that arrangements are made within financial reporting for robust management of delegations, approved by Members. The Project Lead should seek appropriate advice from the Capital Finance Business Partner/S151 Officer and keep track of spend against delegated funding approved by the Council, reporting variances and obtaining further delegations when required, ahead of delegated money depleting.Reporting of the project status with respect to the funding plan. The plan to close the funding gap (once devised) should be discussed and agreed with the S151 Officer and considered at these forums. Consideration should also be made, with formal minutes, for wider reporting within the Council’s formal governance structures.Formalise plan to manage abortive costs. The Project Lead should devise a formal plan for the management of abortive costs against identified options were the project not to go ahead. This plan should seek to mitigate costs materialising within the Council’s revenue budget were the project to not go ahead. This should be discussed and agreed with the S151 Officer.	2023/24	Whilst work on the NWRR has now been paused the Council have actioned the recommendations raised in the previous year. Internal Audit have upgraded their opinion on NWRR governance from “unsatisfactory” to “reasonable”. Audit and Governance Committee have also been provided with reports on the management of NWRR which highlights the actions taken to address recommendations raised.	Implemented in full	No further action required.

07 Appendices

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Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

**A range of different recommendations can be raised by the Council’s auditors as follows:**

Statutory recommendations – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Council’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Policy and Governance (Internal Audit) annual opinion

Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation		Raised	Progress	Current position	Further action
IR1	The Council should ensure that it address the minor control weaknesses identified in the Internal Audit risk management report in a timely manner.	2023/24	The Council has failed to address pervasive internal control issues as detailed below.	Not addressed	See below re key recommendation raised
IR2	The Council should develop a plan to demonstrate how it will move to improve its Internal Audit overall assessment of “Limited Assurance”. This has been in place for give consecutive years and has shown minimal signs of improvement. Without a concerted focus on this area, there is a danger that the Council’s internal processes will be exposed to unnecessary risk moving forward. This becomes more of a risk as financially challenging times mean that there will be pressure on staffing capacity so potentially less staff to carry out internal control and monitoring functions.	2023/24	The Council has failed to address this recommendation with a “Limited Assurance” opinion being given for 2024/25 and the Head of Policy and Governance (Internal Audit) indicating that there has not been an improvement in 2025/26.	Not addressed	This issue as been upgraded to a significant weakness given the lack of action taken by the Council.

Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation		Raised	Progress	Current position	Further action	
Page 59 24	IR3	The Council should maintain its focus on addressing all the issues identified by Ofsted and addressed in their subsequent action plan with a view to improving the assessment rating at the next Ofsted.	2023/24	In 2025 the Council received an “Outstanding” rating from Ofsted. This is evidence that the Council has addressed the issues previously identified.	Addressed	No further action required
		The Council should as part of the revised Target Operating Model work being carried out by PwC ensure that the contract management tool has the necessary functionality to be able to track and monitor contracts and highlight contract end dates in a timely manner.	2023/24	The Council maintains a contracts register that lists awarded contracts with details such as value, supplier, and duration, supporting transparency and oversight. Contracts are risk-assessed and prioritised through the Council’s Risk & Business Continuity Team, which oversees strategic and operational risks, including those linked to procurement and service delivery.	Addressed	No further action required
	IR5	The Council should keep a separate record of tender waivers issued and should report on these quarterly to the Audit and Governance Committee.	2023/24	Audit and Governance Committee are presented with a Contract Rules Exemptions Update that details the use of waivers.	Addressed	No further action required



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From: Tanya Miles <Tanya.Miles@public.govdelivery.com>
Sent: 30 October 2025 12:02
To: Tim Collard
Subject: Staff Weekly Update Thursday 30 October 2025



Staff Weekly Update Thursday 30 October 2025



Tanya Miles, interim chief executive

Hi everyone

I want to begin by acknowledging the unease many of you may have felt following last week's update on our financial position. I know these are challenging times, and it's only natural to feel concerned when we face uncertainty together.

However, there is also a real sense of optimism that we will do things differently. We have a plan to improve, and we are doing everything we can to stabilise our budget.

Investing in our plans to improve

On Wednesday I am taking to workforce board two requests for much-needed roles to the leadership structure – the need for both was highlighted in the [Corporate Peer Challenge \(CPC\) review](#) and subsequent [recommendations](#).

These are fixed-term service director roles for ‘strategy and transformation’ to drive forward our plan to improve and ‘place shaping’ to renew our focus on economic growth.

The money to pay for these roles will come from two vacant posts in the leadership team and I’m confident that they will pay for themselves in the longer term - setting our direction and bringing in much-needed money to ensure our future.

But that’s not all. We plan to increase capacity in certain areas to support the work we must do as a council, to help us to stabilise and to be sustainable.

Plans, plans and more plans

I know that there is some confusion about all the plans we have, and the others that we want to create. Hopefully the below explanation will make things a little clearer.

We will aim to have a new Shropshire Plan by Summer 2026. The new Shropshire Plan will set out in clear terms the strategic priorities and purpose of the council. It will explain how we will achieve those outcomes: what and how we need to improve and develop; and what resources we need. This will be our shared strategic plan that we will all work towards. The four plans below will all enable the development of a rigorous, robust and tested Shropshire Plan.

- Improvement Plan: building strong foundations for the future.
- Medium-Term Financial Plan: clarity around finances.
- Corporate Plan: delivering, enabling and influencing for Shropshire.
- Partnership Plan: working with partner organisations.

Although all four plans are interconnected, our current focus must be on the **Medium-Term Financial Plan** (MTFS) and the **Improvement Plan**. This is because we must get our finances into order and improve the whole organisation so that we have the firm foundations we need to create the **Corporate Plan**. The **Partnership Plan** will be worked on separately, but with an appreciation of the other plans.

The key to achieving this is you, our people. Over the last few weeks we’ve tasked our senior leadership forum to help us shape and share the beginnings of our

People Plan. We really want to hear your thoughts, so if you haven't seen it already, please ask your manager.

We want to hear from you

Don't forget, everyone is invited to take part in upcoming **focus groups** next week. These sessions are a key part of shaping our **Improvement Plan**, and your input is vital.

There will be **three** face to face sessions at The Guildhall and **three** opportunities to engage online. ***Please only book on to one session.***

- **Tuesday 4 November from 12.30pm to 2pm** - Improvement Plan Staff Focus Group in the Fliss Allan Room, 3rd Floor Guildhall (15 spaces available - face to face only).
- **Tuesday 4 November from 2pm to 3.30pm** - Improvement Plan Online Staff Focus Group. Online only - 20 spaces.
- **Wednesday 5 November from 10.30am to 11.30am** - Improvement Plan Online Staff Focus Group. Online only - 20 spaces.
- **Wednesday 5 November from 12.30pm to 2pm** - Improvement Plan Staff Focus Group in the Bridgnorth Room, 2nd Floor Guildhall (15 spaces available - face to face only).
- **Wednesday 5 November from 2.30pm to 4pm** - Improvement Plan Staff Focus Group in the Bridgnorth Room, 2nd Floor Guildhall (15 spaces available - face to face only).
- **Friday 7 November from 12pm to 1.30pm** - Improvement Plan Online Staff Focus Group. Online only - 20 spaces.

Please make sure you book onto a session by visiting [Leap into Learning here](#).

Our financial challenges

One of the questions I've heard many times this week is 'why are we in this position?'

It's a good question, and one that needs an answer.

There are many reasons why we find ourselves projecting to spend more money than we have, but the main reasons are that we have savings we have been unable to deliver (some for a long time now) and we have increasing pressures within certain areas like children's and adults.

The lack of government funding in response to our pressures continues to make the situation worse, especially for Shropshire which is sparsely populated and has an aging population. Heather and Alex have been and will continue to lobby the government for fairer funding, however we're not hopeful that this will come in time to help us.

A more detailed and complete picture of our financial challenges, and our proposed responses, will be taken to Cabinet on 19 November.

Balancing our books

We are yet to hear from the Ministry of Housing, Communities and Local Government (MHCLG) following our ask for funding to help us up until the end of March.

Unfortunately, some of the media coverage around this has been a little confused lately, including references to issuing a Section 114 which is inaccurate. As you know, we are in a process right now of asking for funding, otherwise known as exceptional financial support (EFS), and we are working through it. I promise to let you know as soon as we have an update.

However, it's worth noting that even if we get this funding, for now and future years, the problem has not gone away. We need to continue to do all of the things we're doing now, and more, to enable us to be sustainable in the future.

Thanks to our spending control boards, non-essential spend is stopping and essential spend is being challenged, but there is more we can do.

It's important that we all play our part. Please make sure that you carefully consider your spending and make sure that we have the correct information to make an informed decision. If we don't have this, we simply can't approve your ask. Applications that keep being resubmitted without being changed cause more work for everyone and this can't continue.

To find out more, please take a look at the email James sent to you all earlier this week. This information can also be found on the [intranet here](#).

It's not just about stopping spending though. There's lots we can do differently, take the HR and Payroll AI bot as an example. You can read more about this below.

Getting the basics right

It's more important now than ever to get the basics right. The cost of failure is pushing problems elsewhere. This impacts on us all and costs us more money in the long run.

As many of you will know, for six years now there has been 'limited assurance' internal audit opinions and we need to urgently address this.

Our response to Freedom of Information (FOI) requests on time is down to 57%. This is extremely concerning for the council as a whole and for me in particular, as there is a risk to me that if a further enforcement notice is issued by the Information Commissioner and they are not satisfied that we are addressing it, then I could be subject to contempt of court proceedings. The consequences of which could include imprisonment!

Please make sure that you answer any outstanding FOIs that you and your team have.

Answers to your HR and payroll questions

We're always working to improve how things run behind the scenes, and as part of our goal to be a more sustainable council, I'm pleased to let you know that we'll be launching a new Ask HR and Payroll AI bot next week.

This helpful tool will make it much easier for you to get quick answers to common questions about HR, payroll, recruitment, and our other systems. The bot uses our policies as its guide, so you can trust the information it provides. It's designed to handle those frequent, repetitive queries, saving you time and letting you focus on more important work.

Along with the bot, you'll find updated policies and new 'How to' guides, and the bot will keep getting better as we add more information. This launch is an important step in our HR and Payroll review, shaped by feedback from more than 90 colleagues, and it shows our commitment to making real, positive changes across the organisation.

I'll be sharing more details next week, including how you can use the bot and what it can do for you. Stay tuned!

Ask us anything

Heather and I will be hosting a webinar on **Monday 3 November from 1pm until 2pm** in the council chamber in The Guildhall.

It is the perfect opportunity to have your questions answered.

Space in the council chamber is limited, but there is no limit to how many of you join online.

Please book your place, whether you intend to come in person or online, by [following this link](#).

If you are coming to see us in person, please make sure you arrive 10 minutes or so before 1pm to grab a coffee or tea. There's lots for us to get through so we want to make sure we start on time.

And finally...

Again, please let me reassure you: I am not looking to make compulsory redundancies. We must continue to navigate these difficulties as one organisation, and your roles are valued and secure.

I am incredibly proud to work alongside such a passionate and skilled workforce. The dedication you show every day - your care for the services we provide and the people we serve - is our greatest asset. It's your hard work, resilience, and professionalism that will carry us forward.

A lot of us are taking a break from work this week. I am taking a few days off this week to spend time with my family and to plant some spring bulbs in my garden.

Thank you for everything you do, especially now.

Take care and best wishes

Kind regards

Tanya Miles
Interim chief executive



[To find out about things happening across the council,
please visit Shropshire Newsroom](#)

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