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Shropshire Council

Shropshire Council
Legal and Democratic Services
Guildhall,
Frankwell Quay,
Shrewsbury
SY3 8HQ
Date: Wednesday, 8 July 2026

Committee: Council

Date: **Thursday, 16 July 2026**
Time: **10.00 am**
Venue: **The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ**

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

Members of the Council – a briefing note will be circulated by e-mail prior to the meeting with important housekeeping details and arrangements for the meeting.

Members of the Public – If you wish to attend the meeting, please e-mail democracy@shropshire.gov.uk to check whether a seat will be available for you.

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

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

Richard Phillips
Service Director – Legal and Governance (Monitoring Officer)

Duncan Borrowman (Chairman)	Andy Davis	Benedict Jephcott
Gary Groves (Vice-Chair)	Julian Dean	Robert Jones
Heather Kidd (Leader)	Joshua Dickin	Duncan Kerr
Alex Wagner (Deputy Leader)	Mandy Duncan	Christopher Lemon
Sho Abdul	Greg Ebbs	Nigel Lumby
Caroline Bagnall	Susan Eden	Brendan Mallon
Elizabeth Barker	Donna Edmunds	Sarah Marston
Bernie Bentick	Craig Emery	David Minnery
Neil Bentley	Brian Evans	Vicky Moore
Ed Bird	Roger Evans	Mark Morris
Jeremy Blandford	Adam Fejfer	Alan Mosley
Andy Boddington	Rhys Gratton	Malcolm Myles-Hook
Thomas Clayton	Andy Hall	Chris Naylor
Susan Coleman	Kate Halliday	James Owen
Rachel Connolly	Harry Hancock-Davies	Mark Owen
Tom Dainty	Nick Hignett	Wendy Owen
Jamie Daniels	Alan Holford	Vivienne Parry
Rosemary Dartnall	George Hollyhead	Ed Potter
David Davies	Ruth Houghton	Rosie Radford
Pamela Davies	Dawn Husemann	Sharon Ritchie-Simmons
	Peter Husemann	Carl Rowley

Charles Shackerley-Bennett
Colin Stanford
Jon Tandy
Colin Taylor
Dan Thomas
Teri Trickett
David Vasmer
Beverley Waite
David Walker
Sam Walmsley
Alison Williams
Rob Wilson

Your Committee Officer is:

Tim Ward Committee Officer
Tel: 01743 257713
Email: tim.ward@shropshire.gov.uk

When attending this meeting, Members are reminded of the three principles of the Jo Cox Foundation and Compassion in Politics Civility Pledge:

1. *Use a civil and constructive tone in debate*
2. *Act with integrity, honesty and compassion*
3. *Behave respectfully towards others, including those I disagree with*

*(Please note that while we strive to live stream meetings, technical issues may occasionally occur. In the event of a technical disruption, the meeting will be paused to try to resolve the issue. Should it not be possible to resume the live stream, the meeting will proceed as scheduled, and a backup recording will be made available after the meeting. Any disruption to the live stream does not affect the legality of the meeting).

AGENDA

1 **Apologies for Absence**

2 **Disclosable Pecuniary Interests**

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

3 **Minutes** (Pages 1 - 12)

To approve as a correct record the minutes of the previous meeting held on 14 May 2026

4 **Announcements**

To receive such communications as the Chairman, Leader and Head of Paid Service may desire to lay before the Council.

5 **Public Questions**

To receive any questions from the public, notice of which has been given in accordance with Procedure Rule 14. Deadline for notification is 12.00 noon on Friday 10 July 2026

PETITION

A petition, bearing over 1000 signatures has been received from Marianne Aitken requesting a debate under the Council's Petition Scheme.

The petition requests that Shropshire Council withdraw its proposal to close the Day Care Service at Ludlow's Helena Lane Centre

PETITION

A petition, bearing over 1000 signatures has been received from Christine Hart requesting a debate under the Council's Petition Scheme.

The petition requests that the Council overturn the closure of the Meole Brace Park and Ride

6 **Questions from Members**

To receive any questions from Members, notice of which has been given in accordance with Procedure Rule 15.2. Deadline for notification is 12.00 noon on Friday 10 July 2026

7 **Financial Outturn 2025-26** (Pages 13 - 56)

Report of the Interim Executive Director (S151) is attached

Contact Duncan Whitfield Tel 01743 254928

8 **Annual Treasury Report 2025/26** (Pages 57 - 72)

Report of the Strategic Finance Manager is attached

Contact Cheryl Sedgley Email: cheryl.sedgley@shropshire.gov.uk

9 **Corporate Peer Challenge Progress Review** (Pages 73 - 96)

Report of the Service Director - Strategy & Change is attached

Contact: Paul Clarke Email – paul.clarke@shropshire.gov.uk

10 **Audit and Governance Committee Annual Assurance report to Council 2025/26** (Pages 97 - 112)

Report of the Interim Executive Director (S151) is attached

Contact Duncan Whitfield Tel 01743 254928

11 **Political Balance and Allocation of Committee Seats** (Pages 113 - 118)

Report of the Service Director – Legal & Governance (Monitoring Officer.) is attached

Contact Richard Phillips Tel 01743 256603

12 **Localism Act 2011 - Appointment of Independent Persons** (Pages 119 - 122)

Report of the Service Director – Legal & Governance (Monitoring Officer.) is attached

Contact Richard Phillips Tel 01743 256603

13 **Motions**

The following motions have been received in accordance with Procedure Rule 16:

a **Motion received from Councillor Alan Holford and supported by Councillors Bernie Bentick, Neil Bentley, Gary Groves, Ben Jephcott, Sarah Marston<and Chris Naylor**
This Council:

1. Celebrates the homecoming performance of William Shakespear's 'As You Like It' by the Shropshire Youth Theatre, which took place at Soulton Hall on 8 May 2026.

2. Recognises the deep historical and literary importance of this production, which returns the play to the specific North Shropshire landscape that influenced its creation.

3. Observes that Soulton Hall was the childhood home of Thomas Lodge, whose work Rosalynde served as the primary source for the play; and was the estate of Sir Rowland Hill, the individual who inspired the character of Old Sir Rowland.

4. Acknowledges the significant cultural heritage of the site, including the ancestral connections between the Hill family and Mary Arden, the mother of William Shakespeare.

5. Applauds Soulton Hall for its continued dedication to the arts, specifically its

support of youth performance groups and its achievement in staging a substantial portion of the Shakespearean canon within the county.

6. Supports the ongoing collaboration between charitable organisations and the private sector as a powerful method for driving civic renewal and economic vitality in rural areas.

7. Resolves to promote and celebrate the unique international literary legacy of Shropshire, ensuring that the contributions of our local heritage continue to inspire future generations of residents and visitors.

14 Report of the Shropshire and Wrekin Fire and Rescue Authority (Pages 123 - 126)

To receive the report of the Shropshire and Wrekin Fire and Rescue Authority arising from its meeting held on 24 June 2026

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Committee and Date
Council
16 July 2026

COUNCIL

Minutes of the meeting held on 14 May 2026
In The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ
10.00 am - 12.05 pm

Responsible Officer: Tim Ward
Email: tim.ward@shropshire.gov.uk Tel: 01743 257713

Present
Councillors Duncan Borrowman (Chairman) Heather Kidd (Leader) Gary Groves (Vice-Chair), Alex Wagner (Deputy Leader), Sho Abdul, Caroline Bagnall, Elizabeth Barker, Bernie Bentick, Neil Bentley, Ed Bird, Jeremy Blandford, Thomas Clayton, Susan Coleman, Rachel Connolly, Tom Dainty, Jamie Daniels, Rosemary Dartnall, David Davies, Pamela Davies, Andy Davis, Julian Dean, Joshua Dickin, Greg Ebbs, Susan Eden, Craig Emery, Brian Evans, Roger Evans, Adam Fejfer, Rhys Gratton, Andy Hall, Kate Halliday, Harry Hancock-Davies, Nick Hignett, Alan Holford, George Hollyhead, Ruth Houghton, Dawn Husemann, Peter Husemann, Benedict Jephcott, Robert Jones, Duncan Kerr, Christopher Lemon, Nigel Lumby, Sarah Marston, David Minnery, Vicky Moore, Mark Morris, Alan Mosley, Malcolm Myles-Hook, Chris Naylor, James Owen, Mark Owen, Wendy Owen, Ed Potter, Rosie Radford, Sharon Ritchie-Simmons, Carl Rowley, Charles Shackerley-Bennett, Jon Tandy, Colin Taylor, Dan Thomas, Teri Trickett, David Vasmer, Beverley Waite, David Walker, Sam Walmsley, Alison Williams and Rob Wilson

1 Election of Chairman

The Interim Chief Executive confirmed that she had received the resignation of the Chairman Councillor Duncan Borrowman. The Vice Chairman Councillor Gary Groves took the Chair.

It was proposed, seconded and duly **RESOLVED** that Councillor Duncan Barrowman be elected as Chairman of Shropshire Council to hold office until the Annual Meeting of Council on 14 May 2026

Councillor Barrowman then took the Chair and subscribed his Declaration of Acceptance of Office before being invested with the Chairman's badge of office.

2 Apologies for Absence

Apologies for absence were received from Councillors Andy Boddington, Mandy Duncan, Brendon Mallon, David Minnery, and Colin Stanford

3 **Appointment of Vice Chairman**

The Interim Chief Executive received the resignation of the Vice Chairman.

It was proposed, seconded and duly **RESOLVED** that Councillor Gary Groves be appointed as Vice-Chairman of Shropshire Council to hold office until the Annual Meeting of Council on 13 May 2027

Councillor Groves subscribed his Declaration of Acceptance of Office before being invested with the Vice-Chairman's badge of office.

4 **Disclosable Pecuniary Interests**

Members were reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

Councillor Mark Morris declared an interest in Agenda Item 18b Notice of Motion as he has a contract with Shropshire Council to provide home to school transport. He made the declaration as soon as it became apparent and left the room and took no part in the debate or vote.

5 **Minutes**

RESOLVED:

That the Minutes of the meeting held on 26 February 2026, as circulated with the agenda papers, be approved and signed as a correct record.

6 **Announcements**

<u>Chairman's Engagements</u>

The Chairman referred Members to the list of official engagements carried out by himself and the Vice Chairman since the last meeting of the Council on 26 February 2026, which had been circulated by email

<u>Statement by Deputy Leader</u>

The Deputy Leader, Councillor Alex Wagner made the following statement:

"We are deeply saddened by the rise in incidents of hate crime reported in recent weeks across the country, and here in Shropshire, where we have seen incidents of intimidation and abuse towards our residents, our staff and our councillors.

As leaders across all political groups, we stand united against abuse, intimidation and hate in all its forms. We are committed to treating one another with respect and to ensuring Shropshire remains a place where everyone feels safe and valued, and where council staff are able to serve our communities with confidence.

This is not about policies, views or beliefs. It is about how we stand up together for our shared values - treating each other with respect and tolerance and making Shropshire a place we are all proud to be part of, where everyone belongs.

Some of the items on today's Full Council agenda remind us of the importance of respect and of tackling abuse. In light of recent reports in the news and activity on social media, we want to make this clear statement. We ask others in the chamber today to join us in standing against abuse, intimidation and hate."

7 Public Questions

The Chair advised that 4 questions had been received in accordance with Procedure Rule 14.

Question from Graham Betts regarding parking on Darwins Walk and Bowbrook Meadows

Question from Geoff Lowe regarding Road and Public Open Spaces in Market Drayton.

Question from Peter Gilbert regarding the Council's net zero target. In response to a supplementary question the Portfolio Holder confirmed that there were plans to screen the public emergency film and that he would get back to him when further details were available.

Question from Paul Williamson regarding the use of the Halesfield recycling site by residents of Shropshire. In response to a supplementary question regarding the expected timescale for a resolution the Portfolio Holder advised that discussions were currently taking place between officers to try and resolve this situation and that it was hoped there would be a speedy resolution to the benefit of all residents.

The full questions and responses can be found here Public Questions Council 14 May 2026 with Responses.pdf.

8 Questions from Members

The Chairman advised that 6 questions had been received in accordance with Procedure Rule 15.

Question from Councillor Beverley Waite regarding the Local Transport Plan 2026 – 2038. There was no supplementary question.

Question from Councillor Julian Dean regarding the removal of flags from street furniture. There was no supplementary question

Question from Councillor Brian Evans regarding Cornovii. There was no supplementary question.

Question from Councillor Carl Rowley regarding the flying oof flags. There was no supplementary question

Question from Councillor Rosemary Dartnall regarding Shrewsbury Moves. By way of supplementary question Councillor Dartnall commented that without greatly improved bus services, including buses on Sundays, Shrewsbury Moves will struggle to get off the ground and asked the Portfolio Holder whether he would re-establish a cross-party working group?

Question from Councillor Elizabeth Barker regarding the Afghan Resettlement Scheme. By way of supplementary question Councillor Barker asked would a public apology be made to residents of Cosford and Albrighton for being given misleading information? The Portfolio Holder agreed to follow this up with officers and report back to Councillor Barker.

The full questions and responses can be found here MEMBER QUESTIONS COUNCIL 14 MAY 2026 WITH RESPONSES.pdf

9 **Scrutiny Reorganisation/Housing Supervisory Board**

It was proposed by Councillor Alex Wagner Deputy Leader and Portfolio Holder for Communities and seconded by Councillor James Owen, Portfolio Holder for Housing and Leisure that the report and the recommendations contained therein be received and agreed.

RESOLVED:

1. That the Housing Supervisory Board be removed from the Constitution.

2. That the Scrutiny Committees and their terms of reference be approved as follows:

Committee Title	**Outcomes that the Overview and Scrutiny Committee is responsible for**	**Senior Officers (EDs & SDs)**	**Portfolio Holders**
Finance and Improvement Overview and Scrutiny Committee	• Financial Management and the delivery of the Financial Plan • Overall Council Performance (including financial, quality and activity) • Effectiveness and delivery of the Improvement Plan • Effectiveness and delivery of change at the Council Priority Ambition(s): • A Council that is financially	Chief Executive Executive Director Section 151	Leader Finance Transformation and Economic Growth

	sustainable, with clear priorities and purpose, and a workforce that is supported to excel		
Health Overview and Scrutiny Committee (HOSC)	• The Council's duty of health and wellbeing including needs assessments, strategies, prevention, commissioning • Planning and delivery of Health Services (HOSC) • Integrated Care System (including Council services) • Neighbourhood working Priority Ambitions: • People live in safe, inclusive places with homes that meet their needs • Everyone has the opportunity to be healthy and thrive at every stage of life • An environment that harnesses our natural assets and supports wellbeing External focus: Health Trusts which are based in, impact on or provide services in the Shropshire Council Area Integrated Care System in the Shropshire Council Area	Executive Director – Public Health (DPH)	
Joint Health Overview and Scrutiny Committee (JHOSC)	To scrutinise health issues that impact on the wider health system in Shropshire, Telford & Wrekin	Executive Director – Public Health (DPH)	Adult Social Care and Public Health
Housing Overview and Scrutiny Committee	• Housing (including affordable and social housing and homelessness/temporary accommodation, housing register, housing allocations and HomePoint) • Cornovii • Shropshire Town and Rural Housing (STAR) • Planning Policy (Housing) inc. Local Plan and Place Plans	Executive Director – Communities Growth Partnerships Executive Director – Public Health (DPH) Service Director – Place Shaping	Housing Planning

	• Planning Development Management • Developer Contributions (Community Infrastructure Levy and Section 106 agreements) Priority Ambitions: • People live in safe, inclusive places with homes that meet their needs		
People Overview and Scrutiny Committee	Services for adults including: • Social Care, • Safeguarding, • Special needs services, Services for children including: • Social Care • Safeguarding • Special needs services • Schools and learning • Home to school transport (including SEND transport) • Youth Services Priority Ambition(s): • People live in safe, inclusive places with homes that meet their needs • Everyone has the opportunity to be healthy and thrive at every stage of life	Executive Director - DASS Director of Children's Services (DCS) Service Director – Care and Wellbeing (interim DASS)	Adult Social care and Public Health Children and Education Communities and Environment
Economy and Environment Overview and Scrutiny Committee	• Planning Policy (Economy) inc. Local Plan • Planning Development Management (Highways) • Economic growth • Highways infrastructure and connectivity • Climate strategy and action plan • Environmental Management (Waste Management etc) • Community Safety (required focus) • Culture and Leisure • Flooding and water management (required focus) • 16+ Education and learning and skills	Executive Director – Communities Growth Partnerships Service Director – Place Shaping	Communities and Environment Transformation and Economic Growth Planning Highways and Waste Transport and Regeneration

	Priority Ambition(s): • Communities are connected by well-maintained roads, accessible transport and infrastructure • An environment that harnesses our natural assets and supports wellbeing • A thriving economy that benefits everyone		

10 **Constitution of Committees and Allocation of Seats to Political Groups**

It was proposed by Councillor Alex Wagner Deputy Leader and Portfolio Holder for Communities and seconded by Councillor James Owen, Portfolio Holder for Housing and Leisure that the report and the recommendations contained therein be received and agreed.

RESOLVED:

That the Council confirms the constitution of committees and the allocation of seats to each of the political groups for the 2026/27 municipal year and the allocation of seats between the political groups, as set out in Appendices 1 and 2 to this report.

11 **Scheme of Delegation**

It was proposed by Councillor Alex Wagner Deputy Leader and Portfolio Holder for Communities and seconded by The Leader Councillor Heather Kidd that the report and the recommendations contained therein be received and agreed.

RESOLVED:

That Members resolve that the updated Scheme of Delegations, set out in Part 8 of the Constitution be agreed as outlined within this report and as set out in Appendix 1 of the report.

As she had an interest in the following item The Interim Chief Executive left the chamber during the consideration of the report

12 Appointment of Head of Paid Service (Chief Executive)

It was proposed by The Leader Councillor Heather Kidd and seconded by Councillor Alex Wagner Deputy Leader and Portfolio Holder for Communities that the report and the recommendations contained therein be received and agreed.

RESOLVED:

That Council confirm the appointment of Tanya Miles to the permanent Head of Paid Service (Chief Executive), with effect from 1st June 2026.

13 Appointment of Monitoring Officer (Service Director Legal and Governance)

It was proposed by The Leader Councillor Heather Kidd and seconded by Councillor Alex Wagner Deputy Leader and Portfolio Holder for Communities that the report and the recommendations contained therein be received and agreed.

RESOLVED:

That Council confirm the appointment of Richard Phillips as the Council's permanent Monitoring Officer (Service Director - Legal & Governance) and Deputy Electoral Registration Officer, with effect from Monday 29th June 2026.

14 Shropshire Council Corporate plan 2026/27-2030/31

It was proposed by The Leader Councillor Heather Kidd and seconded by Councillor Alex Wagner Deputy Leader and Portfolio Holder for Communities that the report and the recommendations contained therein be received and agreed.

RESOLVED:

That Council

1. Approve the Corporate Plan 2026-2030

2. Note the underlying need for financial recovery and sustainability, the need to align delivery commitments to the Council’s financial position, and the potential impact on service standards

15 Domestic Abuse Partnership Strategy

It was proposed by Councillor Ruth Houghton, Portfolio Holder for Social Care and seconded by Councillor Rosie Radford that the report and the recommendations contained therein be received and agreed.

RESOLVED:

That Council

1. Approve the Shropshire Domestic Abuse Partnership Strategy 2026-2029

2. Note that delivery of the Strategy will be overseen by the Domestic Abuse Local Partnership Board through an accompanying action plan, with regular monitoring and review by the Community Safety Partnership.

16 Adoption of the Jo Cox Civility Pledge

It was proposed by The Leader Councillor Heather Kidd and seconded by Councillor Ruth Houghton, Portfolio Holder for Social Care that the report and the recommendations contained therein be received and agreed.

RESOLVED:

1. The Leader supports the Jo Cox Foundation and Compassion in Politics' Civility Pledge, and encourages all members sign up to the following commitments:

   "to

   - ***use a civil and constructive tone in debate;***
   - ***act with integrity, honesty and compassion;***
   - ***behave respectfully towards others, including those you disagree with."***

2. That the Pledge is referenced on all Cabinet and Committee agendas as a reminder to members.

17 Adoption of Much Wenlock Neighbourhood Plan Review

It was proposed by Councillor Dan Thomas and seconded by Councillor David Walker, Portfolio Holder for Planning that the report and the recommendations contained therein be received and agreed.

RESOLVED:

That Shropshire Council, as the Local Planning Authority 'makes' (i.e. adopts) the Much Wenlock Neighbourhood Plan Review (as set out in Appendices 1 and 2) and brings it into force with immediate effect as part of the development plan for Shropshire

18 Motions

Motion received from Councillor Brendan Mallon and supported by the Reform Group

The Chairman advised Members that due to a procedural error at the last meeting Councillor Mallon was denied his right of reply prior to the vote being taken following a closure motion and that there will be no debate on this motion but Councillor Mallon will be given his right to reply prior to a vote being taken and that as Councillor Mallon was unable to attend today, this would be read out by Cllr Harry Hancock-Davies

Globally, the transition to 'Net Zero' energy systems is in a state of rapid collapse. No large economy is persisting with this and only a handful of lesser economies are still fully committed. The US is unequivocally out. Russia, India, most of Asia and South America were never really in (despite the Paris Agreement) and China simply lies.

China's wind and solar 'farms' are merely a shop front for the planet's primary manufacturer of that equipment. Meanwhile, they rapidly expand Coal and Nuclear use. China alone is 32% of global emissions (Our World in Data), more than the combined developed world. Chinese per capita emissions surpassed the UK in 2022 and are now already double the UK's, with no slowdown in the increase. China plus just the USA and India make up fully half of global emissions.

The latest domino to fall is Germany. Previous dependence on Russian gas and their abandonment of Nuclear makes Germany now heavily dependent on coal and lignite (14% - AG Enrgiebilanzen) and LNG and thus the EU's largest emitter at 22% of the total (EDGAR 2024 report). Unaffordable energy has resulted in large scale off-shoring of German heavy industry. Thus, Chancellor Merz's announcement to reverse their energy policies, maintaining Net Zero in name only.

What remains is a handful of smaller European economies plus Australia still pursuing Net Zero to a similar extent as the UK, with a combined output circa 7% of global emissions (Net Zero Tracker and EDGAR 2024). Canada nominally has Net Zero policies but, unlike the UK, continues with extensive hydrocarbon production. Clearly, 7% of Net Zero is little more than a rounding error. Thus, any further spending on Net Zero is an obvious waste of money.

A number of Councils around the country, including Labour-led Islington, have heavily curtailed or suspended Net Zero spending. In the context of our Financial Emergency, in order to reduce both capital and revenue spend, we move that the Council immediately suspend all Net Zero related spending, pending a review of value-for-money beyond clearly ineffectual reductions in CO2 emissions "

Councillor Hancock Davies read out the statement form Councillor Mallon and following a vote the motion fell

Motion received from Councillor Carl Rowley and supported by Councillors Elizabeth Barker, Brian Evans, Harry Hancock-Davies and George Hollyhead

Motion: Removal of Canal Towpaths from the Safe Walking Routes Policy

This Council notes that:

1. Shropshire Council’s approach to assessing walked routes to school allows a wide range of routes to be treated as “available”, including public footpaths and other non-highway routes, where risk is judged primarily on traffic and highway considerations.

2. Canal towpaths are routinely subject to risks wholly distinct from adopted footways, including:
o Unfenced watercourses and unprotected edges;
o Seasonal flooding, surface degradation, ice and low-light conditions; o Conflicts between pedestrians, cyclists and other users;
o Limited access for emergency services.

3. The current assessment framework assumes accompaniment by a responsible adult, an assumption which does not reflect the reality of many working families or older primary-age children walking independently.

4. These assumptions are not consistently supported by objective evidence, real-world behaviour, or safeguarding standards, and do not reflect the lived experience of many families, particularly working parents and older age children walking independently.

5. Treating canal towpaths as “safe walked routes” has the effect of removing entitlement to home-to-school transport, transferring risk and responsibility from the local authority to families.

This Council believes that:

1. Assumption must never replace evidence where child safety is concerned. A route that is “theoretically walkable” is not necessarily practically or safely walkable for children on a daily basis.

2. Policies which depend on presumed adult supervision or ideal conditions place inappropriate responsibility and risk onto families rather than the local authority.

3. Recreational access infrastructure should not be reclassified by assumption as safe school transport infrastructure without clear, objective and child-specific safety criteria.

4. A lawful policy is not automatically a reasonable or proportionate one when measured against safeguarding principles.

This Council resolves to:

1. Remove canal towpaths from classification as “safe walking routes” for the purposes of school transport eligibility within Shropshire Council policy.
2. Amend the walked route assessment framework so that assumptions of accompaniment, surface condition, seasonal usability and comparability with footways may not be relied upon in determining route safety.
3. Ensure that no child or family is denied statutory home-to-school transport on the basis of a route whose safety is assumed rather than objectively evidenced.
4. Instruct officers to report back to Cabinet/Council with revised policy wording.

On taking a vote the motion fell.

19 **Future Meeting Dates**

RESOLVED:

That meetings of the Council in 2026 – 2027 will be held on the following Thursdays, commencing at 10.00 am.

16 July 2026
24 September 2026
10 December 2026
25 February 2027
25 March 2027
13 May 2027

Signed .... (Chairman)

Date: ....

Committee and Date	Item
Finance and Improvement Overview and Scrutiny Committee 8th June 2026 Cabinet 10th June 2026 Audit & Governance Committee 15th July 2026 Council 16th July 2026	Public

Financial Outturn 2025/26

Responsible Officer:	Duncan Whitfield		
email:	duncan.whitfield@shropshire.gov.uk	Tel:	01743 254928
Cabinet Member (Portfolio Holder):	Roger Evans, Finance		

1. Synopsis

The report provides a detailed review of Shropshire Council's financial outturn results for 2025/26. These results show a significant adverse variation from the General Fund budget. This was directly and for a major part a consequence of a budget having been set that included ambitious savings targets and the failure to recognise embedded demand pressures across social care which proved to be unachievable. These targets were set within the approved Council Budget in February 2025.

Given the depletion of council reserves and balances and in the context of the declared financial emergency by the Council in September 2025, it became necessary to seek further Exceptional Financial Support (EFS) from the government. This was required in order to retain a minimum level of reserves, to fill the structural deficit created by the inability to meet demand pressure and unachievable savings targets and to write back to the General Fund the capital costs of the aborted North West Relief Road project that had become unaffordable.

The financial outturn position considered within this report has also needed to withstand the continuing increase in demand and cost to the Council for social care services and reduction in government funding in real terms.

2. Executive Summary

2.1. This report sets out a detailed review of Shropshire Council's 2025/26 financial results for revenue, capital and reserves and balances. This includes those ring-fenced accounts such as the Housing Revenue Account and Dedicated Schools Grant.

2.2. For the General Fund, the net adverse variation to the budget for the year amounted to £49.428m. Table 1 in the body of the report sets out the detail across Council services and an analysis of how spending has been funded. This is represented by net spending of £338.014m against a budget of £288.586m.

2.3. The outturn position represented £54k change from P11. While there were a number of variations making up this change, the position does act to confirm some level of stabilisation of the financial position over the final quarter of the year and improvement in the quality of budget monitoring.

2.4. Although the total variation from P11 showed little change, the number of variations through period 12 to outturn have reinforced the need to continue the improvement journey and build on the good progress made to date including adjusted timescales to the closing period each month to allow better analysis of the figures, better analysis and sign off by Service Directors.

2.5. The key factors affecting the overall year end position were the adverse variations impacting on Care and Well Being and Children and Young People; net variations for the year of £26.3m and £12.2m respectively.

2.6. In addition, Corporate Budgets had net adverse variations of £19.8m which included £33.379m of unachieved savings targets. This variation has been reported consistently through to Cabinet during 2025/26.

2.7. The impact of these variations were offset by a number of positive variations across other services. Further details are set out in Table 1 and Appendix 1 of this report.

2.8. Cabinet received regular reports on budget variations throughout the year before and following the declaration by the Council of a financial emergency in September 2025. Despite spend controls, and management actions across all services, the scale of budget gaps That had been created largely by previously underfunded services, savings targets that were undeliverable and sustained increases in service demand, it was not possible to fill the structural deficits had therefore been created.

2.9. To contain the adverse variations for 2025/26, it was necessary for the Council to make an application to the Government for EFS to ensure that sufficient resources were available to balance the financial position in 2025/26. EFS is the government's preferred route for supporting Councils in financial difficulty and this year submissions were made by approximately 50 other Councils across England.

2.10. In making this application, it was recognised that EFS will be required for multiple years until such time that net spending can be reduced to a level that matches resources available. It is recognised, but unfortunate, that EFS represents a 'permission' to borrow and that the consequential borrowing incurs the cost of financing that debt which needs to be provided for within revenue budget. It is however the only available option to the Council to avoid inflicting substantial short term reductions in service provision.

2.11. For 2025/26, an application for £71.4m was made, the details are set out in the report. The final requirement for EFS in year has now been calculated at £61.791m, a £9.609m reduction in the level of EFS that had been originally requested and approved in principle by the Government.

2.12. Moving forward, the MTFP for 2026/27 and beyond reported to Cabinet and Council in February 2026 removes a significant part of unachieved savings in 2026/27 and will relieve this specific budget pressure in future years. It is replaced by a more modest but achievable savings target of at least £5m, which has already been earmarked.

2.13. Some provision has also been made in the EFS application for further demand growth, pay and inflation; these will need careful monitoring and will be subject to ongoing challenge through monthly monitoring and quarterly reporting to Cabinet. An updated MTFP and financial sustainability plan will be submitted to Cabinet in July 2026 to include testing the assumptions made in February and reference to evidence of spending and income patterns for the first quarter of the year.

3. Recommendations

3.1. It is recommended that Transformation and Finance Overview and Scrutiny Committee:

a) Consider this report and the recommendations made to Cabinet below and comment as appropriate.

3.2. It is recommended that Members:

In respect of the revenue budget:

a) Note that the outturn variance in the year is £49.428m above budget.
b) Note that £19.637m has been funded by EFS, leaving £29.278m to be funded from the General Fund reserves and balances.
c) Note the consequent level of the General Fund Balance is £5.000m.
d) Note the increase of £5.658m in Earmarked Reserves & Provisions and the resulting level of earmarked reserves of £29.812m (£25.113m is the balances held by schools are excluded).
e) Note the £17.722m level of savings delivery achieved over the year.
f) Note that the current combination of earmarked and un-earmarked (General) reserves of £34.069m is at a level that is below that would normally seen as appropriate for a Council of this size.

g) Note that the MTFP sets out an agreed plan to restore these balances to more appropriate levels over time, including further requests for Exceptional Financial Support in 2026/27 and beyond.
h) Note that £61.8m of EFS has been applied in 2025/26, some £9.6m less than what was requested originally and approved by MHCLG.

Related to ringfenced funding:

i) Note the performance of the Housing Revenue Account (HRA) this is an account associated with shropshire Councils housing stock - £1.372m (5.75%) surplus outturn for 2025/26 on £23.861m turnover, and the resulting level of the HRA reserve of £13.489m.
j) Note the £28.029m overspend for the DSG and the consequent level of the DSG reserve of £45.655m in deficit.
k) Note that the level of school balances has decreased by £1.994m, from £6.693m in 2024/25 to £4.699m, in the financial year.

In respect of the capital programme:

l) Note the net budget variations of £26.932m to the 2025/26 capital programme (in Appendix 7) and the re-profiled 2025/26 capital budget of £77.375m.
m) Note the re-profiled capital budgets of £145.380m for 2026/27, including slippage of £15.258m from 2025/26, £129.536m for 2027/28 and £89.113m for 2028/29 as detailed in Appendix 11.
n) Accept the outturn expenditure set out in Appendices 8, 9 and 13 of £68.698m representing 88.79% of the revised capital budget for 2025/26.
o) Approve retaining a balance of capital receipts set aside of £22.309m as at 31st March 2026 to generate a one-off Minimum Revenue Provision saving of £0.363m in 2026/27.

General

p) Note that these outturn results will now be incorporated in financial statements for external audit and oversight by the Audit and Governance Committee
q) Note that the Finance risk register is subject to review and will be incorporated in the July Cabinet report that will provide an updated MTFP?.

Report

4. 2025/26 Outturn Position

4.1. Table 1 below summarises the position by service area setting out an outturn variation from budget of £49.428m :

Table 1: 2025/26 Budget Variations by Service Area (£'000)

Service Area	Budget (£'000)	Outturn (£'000)	Net Variation (£'000)	(Under)/ Overspend (%)
Care & Wellbeing	138,454	164,851	26,397	19%
Children & Young People	90,963	103,192	12,230	13%
Commissioning	43,369	39,743	(3,625)	(8%)

Communities & Customer	16,822	13,243	(3,578)	(21%)
Enabling	7,021	7,589	567	8%
Executive Management Team	2,592	2,745	154	6%
Infrastructure	43,847	43,558	(289)	0%
Legal, Governance & Planning	6,045	3,553	(2,492)	(41%)
Pensions	246	333	87	35%
Strategy	489	658	169	34%
Service Delivery Budgets	**349,848**	**379,467**	**29,619**	
Corporate	(61,262)	(41,453)	19,809	(32%)
Net Expenditure	**288,586**	**338,014**	**49,428**	
Funding:				
Council Tax	(219,283)	(219,283)	0	
Business Rates	(46,683)	(46,683)	0	
Top Up Grant	(11,025)	(11,025)	0	
Revenue Support Grant	(8,668)	(8,668)	0	
Collection Fund (Surplus)/Deficit	(2,927)	(2,927)	0	
Total Funding	**(288,586)**	**(288,586)**	**0**	
Total	**0**	**49,428**	**49,428**	

4.2. There were three key factors affecting the year end position for overall service delivery.

Care & Wellbeing – within Adult Social Care Operations there has been a budget pressure of £21.899m on purchasing. £16.140m of this variance is on spot purchasing mainly due to a continued increase in the number of capital reductions coming through on residential care, an increase in nursing due to complexity and cases transferred from health to the local authority. £13.327m of the variance is on block purchasing which is mainly due to pressure on supported living and supported living individual service funds and an increase in complexity impacting on cost of care.

4.3. Children & Young People – despite an overall 7.5% reduction of the number of children looked after from 721 on 1st April 2025 to 667 on 31st March 2026, a combination of known, but unbudgeted pressures, aligned with demand led pressures within Children's placements leading to a £14.908m spend over budget on external residential placements. This is mainly an increase in external spot / framework placements but also an increase in the disabled children team residential costs due to an increase in numbers.

4.4. Savings and Corporate Budgets – the net favourable variance to the corporate budget is £19.809m. However, this includes £33.379m of unachieved savings targets; only 29.6% of the 2025/26 savings required have been delivered, amounting to £17.722m. The savings outturn in 2025/26 is presented in Appendix 2; variations were reported to Cabinet throughout the year. The MTFP for 2026/27 and beyond sets out the removal of most of the 70.4% of unachieved savings. New savings plans are being progressed for the next financial year to ensure that efficiencies can be delivered on an ongoing basis to reduce future calls on EFS.

4.5. In order to finance the adverse variation (overspend) there has been a need to make use of reserves and general fund balances. In total, £29.278m has been drawn down from Reserves Balances leaving just £5m in the General Fund Balance. A breakdown of transactions impacting on the General Fund in 2025/26 are detailed in Appendix 4.

4.6. The MTFP for 2026/27 approved in February 2026 includes provision to increase these balances to more appropriate levels over time and these assumptions will be reviewed as part of the updated MTFP to be received by Cabinet in July.

4.7. Mindful of the need for resources to supplement contributions from reserves, The Council made the decision to make an application to the Government for £71.4m EFS to manage the 2025/26 financial position. The application for £71.4m has been approved by government of which £21.5m was planned to be used towards the overspend. EFS enables the Council to borrow funds which will be repaid through increasing the capital financing revenue budget.

4.8. Approximately £39m of the 2025/26 EFS was scheduled to be used the financial consequences of the decision to abort the North-West Relief Road project owing to affordability issues. The remaining £10m was scheduled to be used to support the costs of transformation as required to enable the Council to undertake projects to transform services and reduce costs and support the Council to move towards a financially sustainable position.

4.9. The final use of EFS has now been calculated at £61.791m, a £9.609m reduction to the level of EFS that had been approved in principle by the Government. A breakdown of the utilisation of EFS is set out in the table below:

Exceptional Financial Support (EFS) Areas	EFS approved in principle £m	EFS utilised in 2025/26 £m	Reason for variance
North West Relief Road	39.900	32.154	Original application included the costs of the NWRR and Oxon Link Road (OLR). The OLR has remained as a capital programme and so the Council has been able to reduce the amount borrowed.
Transformation	10.000	10.000	As per application
Revenue Outturn	21.500	19.637	Reduction in projected overspend in final quarter resulted in less borrowing required.
Total EFS	**71.400**	**61.791**	

5. Risk Assessment and Opportunities Appraisal

5.1. The financial results for 2025/26 confirm the need for a fundamental review of key risks and mitigations for budget preparation, monitoring and control of Council finances.

5.2. These are subject to fundamental review and the primary elements include capacity and capability across finance and the wider organisation, the management of demand growth, unfunded burdens, the national and global economy (including inflation and interest rates), and market behaviour and stability for our largest contracts.

5.3. In particular, it should be noted that work is underway to make improvements to the Council's financial monitoring and budget setting arrangements, learning from lessons of the past. Important improvements in both of these areas have been made since the financial emergency was declared and these changes will continue to embed and evolve through 2026/27.

5.4. These risks and mitigations are currently subject to review by the Interim s151 Officer and will be reported to Cabinet in July as part of the MTFP update and again at Cabinet in September when the Q1 monitoring report will be considered.

6. Housing Revenue Account

6.1. The Housing Revenue Account (HRA) outturn for 2025/26 shows a surplus of £1.372m against a budgeted deficit of £3.733m, giving a £5.104m variance against the approved budget. This was mainly due to a change in approach to the financing of the capital programme, with additional capital costs being met from the Major Repairs Allowance instead of revenue contributions to capital. As at 31 March 2026 the HRA reserve stood at £13.489m. A breakdown of the HRA is provided at Appendix 6.

7. Dedicated Schools Grant

7.1. The overall 2025-26 outturn against centrally retained DSG is a £28.029m deficit.

7.2. It should be noted that this figure is the in-year deficit and needs to be added to the £17.566m revised deficit carried forward from 2024-25 in order to give an overall cumulative DSG deficit position of £45.655m. This figure is currently managed through a Statutory Override agreed nationally by government for DSG deficits through to March 2028 and the Council will receive a "High Needs Stability Grant" in Autumn 2026 to write off 90% of the High Needs Block DSG deficit accrued up to the end of 2025/26, providing our Local Area SEND Reform Plan submission is approved by the Department for Education (DfE).

7.3. In 2025/26, Shropshire continued to face many of the same budget pressures as other Councils, with sustained high numbers of new requests for EHCPs combined with the ongoing duties for children and young people with existing EHCPs. This is compounded by **Shropshire being the 18 lowest funded Council** per pupil for High Needs out of 151 Councils nationally. There are three main areas of spend over budget, namely an increase in "top-up" funding to mainstream schools

(£6.979m), increases to state-funded special school funding through a recent review of top-up funding banding levels (£7.008m), and further growth in children and young people placed with Independent Providers (£11.390m).

7.4. With the increased funding levels to mainstream schools and state-funded special schools, the Council is striving to minimise the increase in demand in the independent sector by building capacity in our mainstream settings through investing in SEND Hubs attached to mainstream schools and increasing top-up funding to our state-funded Special Schools; Severndale School, Woodlands School and Keystones School. This strategy is showing encouraging impact, with the number of children and young people with an EHCP educated in mainstream being above the national average and some steadying in the rate of placement in the independent special school sector, compared with sustained high levels of demand for EHCPs above the national average.

8. Reserves and Provisions

8.1. While the overall position for reserves and provisions is set out in the Statement of Accounts 2025/26, a detailed breakdown of the balances is contained at Appendix 6.

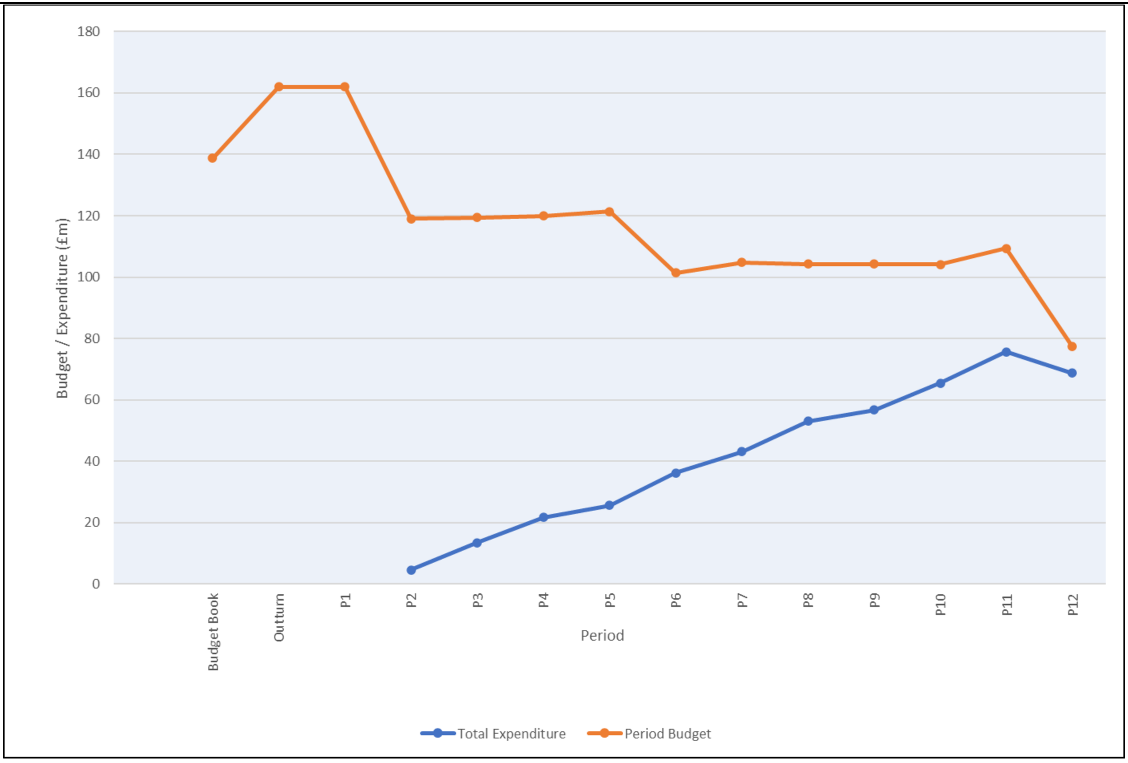
9. Original & Final Capital Programme for 2025/26

9.1. The capital budget for 2025/26 was subject to a review of all projects at Quarter 3 and re-profiling where required into future years with no further re-profiling into future years being anticipated during Quarter 4. Additionally, during Quarter 4 there has been a net budget decrease of £26.932m compared to the position reported at Quarter 3 2025/26. The bulk of this movement relates to the removal of the NWRR capital scheme from the budget following Council’s decision to cancel the scheme on 26th February 2026. Appendix 8 summarises the overall movement, between that already approved and changes for Quarter 4 that require approval.

10. Original & Final Capital Programme for 2025/26

10.1. During the course of the year a thorough review was undertaken of the Capital Programme and many non-essential projects placed on pause in order to relieve the cost of borrowing. Outturn projections are incorporated into the capital monitor to enhance the monitoring information provided and allow the early identification where schemes are deviating from budget. Appendix 8 summarises the outturn position for 2025/26.

10.2. Total capital expenditure for 2025/26 was £68.698m, which equated to 88.8% of the re-profiled capital programme of £77.375m. The graph below shows actual expenditure by period and tracks the period-on-period changes to the budget.



10.3. There was a total variance of £8.677m between the revised Outturn Budget and the Outturn Expenditure. This underspend will be slipped to future years to facilitate completion of projects in delivery during in 2026-27 and beyond as required following a review of expected profiles. A summary of significant variances by directorate and service area are provided In Appendix 9.

10.4. Appendix 10 summarises the financing of the 2025/26 capital programme, changes made to Quarter 3 and to be approved to Quarter 4.

10.5. Within the financing of the Capital Programme £0.927m of actual expenditure has been funded from revenue contributions. The major areas of revenue contributions to capital are HRA house repurchases (£0.167m), essential repairs in relation to the Corporate Landlord estate (£0.079m), Highways schemes (£0.075m), Community Led Affordable Housing (0.351m), LUF 2 Project match funding (£0.150m) and Schools revenue contributions to various capital schemes (0.057m).

11. Projected Future Capital Programme

11.1. The updated capital programme and the financing of the programme is summarised by year in Appendix 11.

11.2. The Corporate Resources financing line is the element of internal resources through capital receipts and corporately financed prudential borrowing required to finance the programme. The Council continues to consider proposals for new schemes to invest in, with an emphasis on invest to save schemes and schemes that generate revenue savings as a result of either the generation of revenue income or the delivery of revenue savings.

12. Capital Receipts Position

12.1. Appendix 12 summarises the current allocated and projected capital receipt position across 2024-25 to 2027-28.

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

Financial Strategy 2025/26 – 2029/30, Council – 26 February 2026

Financial Rules

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

Financial Monitoring Report – Quarter 2 2025/26, Cabinet – 19 November 2025

Financial Monitoring Report – Quarter 3 2025/26, Cabinet – 11 February 2026

Local Member:	All

Appendices

Appendix 1 – 2025/26 Budget Variations by Service

Appendix 2 – Update on Delivery of 2025/26 Savings Proposals

Appendix 3 – Amendments to Original Budget

Appendix 4 – General Fund Balance

Appendix 5 – Housing Revenue Account

Appendix 6 – Reserves and Provision 2025/26

Appendix 7 – Revised Capital Programme

Appendix 8 – Capital Programme Outturn Position by Directorate 2025/26

Appendix 9 – Summary of Significant Variances Between Revised Capital Budget & Outturn Expenditure by Service Area For 2025-26

Appendix 10 – Revised Capital Programme Financing 2025/26

Appendix 11 – Capital Programme 2026/27 To 2028/29

Appendix 12 – Projected Capital Receipts Position

Appendix 13 – Capital Programme Summary Outturn 2025/26

APPENDIX 1

2025/26 BUDGET VARIATIONS BY SERVICE

1.1 Summary

Revenue variances are reported on an exception basis depending on the total variance from budget.

Service Area	Full year		
	Budget £'000	Outturn £'000	(Under)/ Overspend £'000
Care & Wellbeing	138,454	164,851	26,397
Children & Young People	90,963	103,192	12,230
Commissioning	43,369	39,743	(3,625)
Communities & Customer	16,822	13,243	(3,578)
Enabling	7,021	7,589	567
Executive Management Team	2,592	2,745	154
Infrastructure	43,847	43,558	(289)
Legal, Governance & Planning	6,045	3,553	(2,492)
Pensions	246	333	87
Strategy	489	658	169
Service Delivery Budgets	**349,848**	**379,467**	**29,619**
Corporate Budgets	(61,262)	(41,453)	19,809
Total	**288,586**	**338,014**	**49,428**

1.2 Summary

Service Area Summary

Service Area		Budget	Outturn	Variance	RAGY	
CARE & WELLBEING		**138,454,160**	**164,851,170**	**26,397,010**	**R**	
Care & Wellbeing	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Adult Social Care Management	Social Care	1,058,170	695,822	(362,348)	Y	• (£0.335m) capitalisation of posts
Adult Social Care Provider Services	Social Care	6,083,780	5,077,494	(1,006,286)	Y	• £0.192m Glenview costs previously purchasing expenditure • (£0.610m) spend below budget on salaries due to vacant posts in START team and Day Services • (£0.331m) additional income Four Rivers Nursing Home • (£0.180m) spend below budget on External Provider Services
Adult Social Care Operations	Social Care	128,127,160	155,085,838	26,958,678	R	• £21.899m pressure budget purchasing made up of: - £16.140m SPOT Gross purchasing - £9.004m Residential care demographic demand increases to budget set £6.061m increase in nursing due to complexity and cases transferred from health to local authority, £3.859m pressure on Individual Service Funds, £211 km pressure in college placement and short breaks, (£1.698m) additional contribution from income over budget from Direct Payment and Individual Service Fund clawbacks, - 13.327m BLOCK Gross purchasing pressure on supported living and supported living Individual Service Funds due to an increase in complexity of care and a £ associated costs provider market challenges around capacity and uplifts -(£0.210m) reablement and updated allocation of Better Care Fund - (£0.254m) reduction in Deferred Payment Agreement accrual - (£7.512m) increase income from client contributions including Deferred Payment Agreement contributions and joint funded packages and includes historic contributions • £4.491m reduction in Continuing Health Care funding arrangements reduction in recharges from 2022/23,

						2023/24 and 2024/25 • £1.463m previous year 2024/25 expenditure not forecast • £0.933m unpaid invoice being 50% of additional hospital discharge expenditure from 2023/24 • £0.342m reduction in forecasted income against telecare charging project • (£2.198m) spend below budget on salaries due to vacant posts
Professional Development Unit	Social Care	254,100	262,249	8,149	G	• Minor variance to Budget as at Outturn
Care & Wellbeing Projects	Social Care	108,980	315,152	206,172	R	• £0.198m Care Tech Programme
Enable	Social Care	704,450	761,860	57,410	A	• Minor Variance to Budget as at Outturn
Service Director Care & Wellbeing	Social Care	2,117,520	2,652,755	535,235	R	• £0.492m provision for bad debt across Care & Wellbeing

Service Area		Budget	Outturn	Variance	RAGY	
CHILDREN & YOUNG PEOPLE		**90,962,860**	**103,192,395**	**12,229,535**	R	
Children & Young People	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Shire Services	Finance	2,707,810	2,508,121	(199,689)	Y	• (£0.119m) relating to Schools Budget Support Grant and National Insurance Contributions (NICs) Grant funding for centrally employed Schools Support staff • (£0.081m) remaining spend under budget related to traded surplus on Shire Catering
Learning and Skills	Children & Education	10,066,360	11,061,662	995,302	R	• £0.950m spend over budget relates to the EHCP Team where the service have recently appointed significant additional capacity (permanent and temporary) to manage increasing statutory demand. • £0.540m spend over budget relates to the Educational Psychology Service where the service have appointed additional capacity locum Educational Psychologists to undertake statutory assessments as a result of increasing demand, whilst permanent recruitment is completed. • £0.073m spend over budget relates to the fully-traded Schools Library Service that will cease operations during quarter 2 2026/27. • £0.071m spend over budget relates to the SEND & AP Change Programme whereby income received in

					R	2024/25 in relation to the programme should have been carried forward but was not so the spend in 2025/26 exceeded the external funding available • (£0.021m) spend under budget relates to the NEETs data tracking team • (£0.036m) spend under budget relates to ongoing pension compensation payments relating to former teaching staff that are above the level of the Central Schools Services Block (CSSB) grant awarded to cover these costs. • (£0.041m) spend under budget relates to the fully-traded Schools Finance Team • (£0.052m) relates to Academy conversion income from schools exceeding expenditure • (£0.063m) relating to the capitalisation of a post as a one-off working on transformational projects within Learning & Skills Business Support • (£0.074m) relating to the maximisation of various external funding streams in Education Improvement Service • (£0.112m) spend under budget relates to elements of the Education Welfare Service • (£0.239m) one-off efficiencies across both staffing and non-staffing budgets within Learning & Skills Business Support.
Director Children's Services	Children & Education	399,130	413,062	13,932	G	• Minor Variance to Budget as at Outturn
Service Director Children's & Young People - CSC	Children & Education	148,310	138,265	(10,045)	Y	• Minor Variance to Budget as at Outturn
Children's Social Care and Safeguarding	Social Care	24,466,600	26,811,565	2,344,965	R	• £1.974m spend over budget on staffing budgets across the service relating to Agency Social Workers covering vacancies and additional staffing following the Ofsted Staff Improvement plan approved in December 2023. • £0.634m spend over budget in Disabled Children's budget area with £0.809m relating to Disabled Children's Team (DCT) prevention and Support payments offset by £0.031m spend under budget on DCT Short Breaks Contracts. £0.144m spend under budget relates to Disabled Children's Direct Payments. • £0.379m spend over budget relates to Adoption Services. £0.467m spend over budget on Adoption

						Allowances. The remaining (£0.088m) variance relates to the Together4Children (T4C) permanency hub where there was a £0.081m underspend on Intra-Adoption Adoption placements expenditure to other Local Authorities or Voluntary Adoption Agencies • £0.165m spend over budget on Social Worker Retention payments across the service • £0.059m spend over budget relates to taxi costs or other transport related costs across the Social Work teams. • (£0.301m) spend under budget relates Public Law Outline Support packages which includes legal fees, and other court ordered expenditure such as medical assessments • (£0.533m) more Home Office grant funding applied against 16-18 year old Unaccompanied Asylum Seeking Children (UASC) expenditure than anticipated
Children's Placements	Social Care	50,215,360	59,902,283	9,686,923	R	• £14.908m spend over budget on External Residential Placements. £1.485m shortfall in anticipated savings from "Stepping Stones Project". £9.372m increase in External Residential Spot/Framework placements. £3.074m Disabled Children's Team residential expenditure - increase in numbers. The remaining £0.977m shortfall in anticipated contributions from other partners towards joint funded social care led residential placements. • (£0.033m) spend under budget on Placements Staffing • (£0.246m) spend under budget against Internal Residential Children's Homes due to Devonia being temporarily closed until late 2025. • (£1.958m) spend under budget relating to Stepping Stones Project which relates to a combination of one-off capitalisation of posts and also use of new Children's and Families grant to fund existing Family Group Conferencing posts within the team • (£2.984m) spend under budget on Fostering placements and Supported Accommodation placements. External fostering placements were anticipated to increase in 2025/26 hence growth was built into the budget, however instead numbers have decreased.

Children's Early Help	Health	2,214,680	1,841,512	(373,168)	Y	• (£0.200m) additional Public Health grant contribution towards the Council's Early Help Community and Family hubs • (£0.173m) through fully utilising various external grants including the Children's, Families and Grant, Children's Social Care Prevention Grant and the Best Start in Life Family Hubs Grant
Youth Support Services	Deputy Leader & Communities	744,610	515,925	(228,685)	Y	• (£0.229m) spend under budget Youth Support Team temporary vacancy management and maximisation of Local Youth Transformation pilot external funding

Service Area		Budget	Outturn	Variance	RAGY	
COMMISSIONING		**43,368,790**	**39,743,369**	**(3,625,421)**	**Y**	
Commissioning	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Adult Social Care Business Support	Social Care	4,891,340	4,541,113	(350,227)	Y	• (£0.217m) Spend under budget on staff salaries • (£0.133m) Spend under budget on Payments to contractors
Bereavement Services	Health	(241,320)	(271,455)	(30,135)	Y	• Minor Variance to Budget as at Outturn
Leisure	Housing & Leisure	2,451,260	3,267,594	816,334	R	• £0.520m Unachieved savings targets • £0.183m Spend above budget on minor works across Leisure Facilities • £0.129m Spend above budget on Contract Tender Support • £0.108m Spend above budget at Meole Brace Golf Course • £0.156m Shortfall on income resulting from the temporary closure of Market Drayton Pool • (£0.280m) Spend below budget on utility costs across the Leisure Estate
Waste Management	Highways & Environment	34,828,900	30,498,111	(4,330,789)	Y	• £0.451m shortfall on Green Waste Income due to no price increase in 25-26 • £0.196m shortfall on PFI Grant income • (£2.705m) Contract Savings as a result of lower than budgeted inflationary increases • (£1.300m) Additional Energy Share & Royalty Payments through Annual Reconciliation • (£0.975m) Additional Extended Producer Responsibility Payments

Insurance	Finance	27,240	127,648	100,408	R	• £0.100m less charges for insurance overheads over Premiums, remainder over funds
Commissioning Development and Procurement	Finance	134,610	321,039	186,429	R	• £0.300m reduction in Income from Purchasing Rebates • (£0.114m) Spend under budget on staff salaries
Housing Development and HRA	Housing & Leisure	35,550	35,851	300	G	• Minor Variance to Budget as at Outturn
Armed Forces Support	Housing & Leisure	8,990	631	(8,359)	Y	• Minor Variance to Budget as at Outturn
Community Services	Social Care	465,420	454,027	(11,393)	Y	• Minor Variance to Budget as at Outturn
Quality Assurance & Independent Review Unit	Social Care	474,900	455,635	(19,265)	Y	• Minor Variance to Budget as at Outturn
Child Placement Service	Social Care	192,100	149,908	(42,192)	Y	• Minor Variance to Budget as at Outturn
Service Director Commissioning	Finance	99,800	163,268	63,468	A	• Minor Variance to Budget as at Outturn

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Service Area		Budget	Outturn	Variance	RAGY	
COMMUNITIES & CUSTOMER		**16,821,640**	**13,243,346**	**(3,578,294)**	**Y**	
Communities & Customer	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Housing Services	Housing & Leisure	4,408,040	3,749,547	(658,493)	Y	• (£0.482m) spend under budget in relation to vacancy management and additional grant funding (£0.349m) • (£0.148m) additional resettlement income received • (£0.114m) spend under budget for contractors due to bringing some services in house • (£0.078m) additional grant income applied • £0.086m spend greater than budget for Housing Compliance as this work was a new in year pressure for 2025-26 • £0.081m spend greater than budget for Temporary Accommodation, (a significant reduction from £0.442m at 2024-25 year end, achieved by the opening of new schemes and reducing the use of B&B)
Regulatory Services	Health	2,096,940	1,927,306	(169,634)	Y	• (£0.060m) spend under budget in relation to vacancy management • (£0.059m) savings through management charges regarding grant funded activity • (£0.039m) various savings against budgeted spend • (£0.020m) additional Household Support Fund income received

Business and Consumer Protection	Health	2,549,440	1,780,088	(769,352)	Y	• (£0.551m) payroll spend under budget through the Voluntary Redundancy programme and vacancy management • (£0.129m) additional income achieved against projection for licensing and penalty charge notices • (£0.053m) spend under budget against other non-pay expenditure
Ring Fenced Public Health Services	Health	1,438,300	1,439,314	1,014	G	• Minor Variance to Budget as at Outturn
Culture, Leisure & Tourism Development	Housing & Leisure	66,090	15,890	(50,200)	Y	• Minor Variance to Budget as at Outturn
Libraries	Housing & Leisure	3,537,610	3,351,508	(186,102)	Y	• (£0.200m) Additional Public Health Substitution
Museums and Archives	Housing & Leisure	1,268,170	1,137,072	(131,098)	Y	• (£0.120m) allocation of Museum Renewal Fund
Theatre Services	Housing & Leisure	503,890	(373,779)	(877,669)	Y	• (£0.877m) increased income generation across Theatre Services against budget
Head of Culture, Leisure & Tourism	Housing & Leisure	280,400	162,479	(117,921)	Y	• (£0.078m) spend under budget for salaries
Customer Services	Deputy Leader & Communities	610,100	(17,766)	(627,866)	Y	• (£0.487m) Net forecast spend under budget relating to Vacancy Management across Customer Services • (£0.106m) Transformation funding for Digital Skills engagement • (£0.035m) spend under budget against other non-pay expenditure
Service Director Communities & Customer	Housing & Leisure	62,660	71,687	9,027	G	• Minor Variance to Budget as at Outturn

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Service Area		Budget	Outturn	Variance	RAGY	
Corporate Budgets		**(61,262,350)**	**(41,452,991)**	**19,809,359**	**R**	
Corporate Budgets	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Corporate Budgets	Finance	(61,262,350)	(41,452,991)	19,809,359	R	• £33.379m unachieved savings, remainder of savings that were unallocated to service areas • £2.736m net pressure against interest payable and receivable, mostly in relation to borrowing costs • (£0.264m) net spend under budget across QICS PFI unitary charges which includes the draw down of PFI grants • (£0.299m) Development Fund base budget not required, reserves met expenditure requirements in-year

						• (£0.560m) increased income from profit share WME • (£2.400m) release of gain share from contract relating to Broadband project • (£2.178m) release of funds held to cover pay award on review of estimated costs • (£3.029m) contribution from financial strategy reserve • (£2.000m) contribution from capital reserve • (£2.539m) release of funds held for minimum revenue provision in relation to financing of capital investments • (£2.831m) additional Section 31 grants following closure of business rates position • (£0.200m) uncommitted corporate expenditure budgets

Service Area		Budget	Outturn	Variance	RAGY	
ENABLING		**7,021,140**	**7,588,537**	**567,397**	**R**	
Enabling	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Corporate Landlord, Property and Development	Finance	902,340	2,166,337	1,263,997	R	• Spend over budget reflects unachieved savings against a £3.000m savings target including a £1.096m of unbudgeted expenditure relating to Shirehall, pressures were partially mitigated by in-year management actions
Technology	Finance	414,130	(1,276,703)	(1,690,833)	Y	•£0.651m relating to savings target showing against management (being met across wider IT teams) •(£0.102m) spend under budget relating to rental costs. •(£0.400m) spend under budget on Hardware & Licences. •(£0.844m) capitalisation of staff working on transformation activity •(£1.037m) spend under budget relating to the IT restructure which is currently being implemented as a part of rightsizing.
Human Resources and Organisational Development	Finance	(5,090)	(158,125)	(153,035)	Y	•£0.166m income under budget relating to Service Level Agreement income. •£0.052m income under budget relating to legacy staff recharges. •(£0.015m) spend under budget relating to Occupational health private contractor consultations. •(£0.350m) net vacancy efficiencies across the service.
Health & Safety	Finance	21,530	(117,831)	(139,361)	Y	•(£0.139m) spend under budget relating to Voluntary Redundancy programme and vacancy efficiencies.

Finance	Finance	2,286,310	1,406,708	(879,602)	Y	•(£0.060m) Additional income from Employee Recharges •(£0.815m) spend under budget relating to Voluntary Redundancy programme and vacancy efficiencies.
Revenues and Benefits	Finance	2,761,250	4,702,079	1,940,829	R	• £2.059m unachieved savings. Savings target from previous financial year of £1m achieving £0.449m relating to cost reductions arising from improvement of in-house Temporary Accommodation provision, additional savings target in current financial year unachievable • £0.734m relating to income not achieved against overpayments recovery of Housing Benefits, income budget has been amended for 26/27. • £0.129m relating to spend over budget on Legal costs, postage and management fees relating to rateable value calculations work undertaken to identify additional Business Rates funding. • £0.097m Relating to Bad Debt provision. • (£0.050m) additional grant income from Household support fund to assist with the Discretionary Housing Payments • (£0.066m) spend under budget against systems costs for maintenance and support. • (£0.288m) Net spend under budget relating to DWP housing benefit allowances and rebates transactions. • (£0.636m) relating to spend under budget against vacancy management and Voluntary Redundancy programme.
Personal Assistants	Finance	44,180	24,516	(19,664)	Y	• Minor variance to budget as at Outturn
Service Director Enabling	Finance	596,490	841,556	245,066	R	• £0.215m Provision for Bad Debt across Enabling Services

Service Area		Budget	Outturn	Variance	RAGY	
EXECUTIVE MANAGEMENT TEAM		**2,591,600**	**2,745,260**	**153,660**	**R**	
Executive Management Team	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Executive Management Team	Leader	2,591,600	2,745,260	153,660	R	• Salary payments in relation to exiting members of senior staff and recruitment expenses in relation to replacements.

Service Area		Budget	Outturn	Variance	RAGY	
INFRASTRUCTURE		**43,847,270**	**43,558,166**	**(289,104)**	**Y**	
Infrastructure	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Partnerships & Economic Development	Transport & Economic Growth	1,720,450	1,493,769	(226,681)	Y	• Additional Grant funding offsetting Core costs across a range of Projects; UKSPF, Connect to Work, Growth Hub, Careers Hub, LEP Legacy & Get Britain Working
Highways & Transport	Highways & Environment	12,651,230	11,541,658	(1,109,572)	Y	• £1.260m Parking savings targets not fully achieved (mid-year roll out) • £0.846m Staff recharge to capital not at budget level • (£0.115m) Additional income (recover from third parties) • (£0.125m) Spend under budget on Winter Maintenance resulting from less adverse weather in the winter period. • (£0.465m) Spend under budget on Streetlighting due to non-delivery of works by sub-contractor and spend under budget on Energy costs resulting from roll out of LED lighting. • (£0.536m) Staffing costs under budget due to vacancies, some of which are covered by Agency • (£0.712m) Street Scene service efficiencies delivered in 2025/26, preparation costs for devolution will now fall into 2026/27 • (£1.240m) Streetworks additional net income
Shropshire Hills National Landscape	Housing & Leisure	116,700	97,500	(19,200)	Y	• Minor Variance to Budget as at Outturn
Outdoor Partnerships	Housing & Leisure	1,134,340	1,159,425	25,085	G	• Minor Variance to Budget as at Outturn
Highway Policy & Strategic Infrastructure	Highways & Environment	1,794,640	1,687,850	(106,790)	Y	• Spend below budget on staffing due to vacancies, some of which are currently covered by Agency Staff
Public Transport	Highways & Environment	7,350,850	6,038,774	(1,312,076)	Y	• (£0.397m) Additional Department For Transport (DfT) grant draw down • (£0.321m) Spend below budget on Concessionary Travel costs • (£0.314m) Administrative Costs recharged across Transport • (£0.127m) Spend below budget on Fleet Transport Costs • (£0.123m) Additional Income from third parties • (£0.030m) Other Minor Variances
Care & Wellbeing Transport	Social Care	1,422,420	1,538,177	115,757	R	• Recharge of transport administrative costs

Home to School Transport	Children & Education	18,139,660	19,491,421	1,351,761	R	• £1.652m additional SEND transport costs • (£0.300m) Savings on primary & secondary travel
Service Director Infrastructure	Highways & Environment	(483,020)	509,594	992,614	R	• £1.000m unachieved savings target. Savings reflected elsewhere in Service

Service Area		Budget	Outturn	Variance	RAGY	
LEGAL & GOVERNANCE		**6,044,930**	**3,553,345**	**(2,491,585)**	**Y**	
Legal & Governance	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Registrars and Coroners	Health	737,000	573,658	(163,342)	Y	• £0.155m Spend above budget on Coroner staffing • £0.100m relating to unachieved savings target • £0.055m Spend above budget on various Coroner Supplies and Services. • (£0.055m) Spend under budget against registrars overtime as a result of removing Sunday working hours and streamlining of tasks • (£0.415m) Additional income from Registrars mainly Venue fee, Certificate Fees & Ceremonies as a result of implementing a public self service portal.
Planning Services	Planning	906,700	(539,284)	(1,445,984)	Y	• £0.170m Net spend above budget relating to Higways Development Control due to Highways Design Contract • £0.119m Spend above budget on consultancy marketing, legal and expected provisions as a result of increased planning income • (£0.258m) Additional income relating to Land Charges and a review of fees and charges on Building Regulations & Street Naming • (£0.299m) Net vacancy efficiencies across the service • (£1.223m) Additional income relating to Planning applications and a review of fees and charges.
Policy and Environment	Planning	2,182,020	1,953,203	(228,817)	Y	• (£0.204m) Spend under budget in relation to vacancy management • (£0.027m) Capitalisation of staff costs
Democratic Services	Leader	11,920	1,001	(10,919)	Y	• Minor variance to budget as at Outturn
Elections	Leader	1,326,050	1,129,793	(196,257)	Y	• (£0.196m) spend lower than budgeted across Council Elections from the current financial year
Legal Services	Finance	129,250	(64,701)	(193,951)	Y	• (£0.120m) Spend under budget on Legal fees for Child care • (£0.060m) Spend under budget on Agency staff
Policy and Governance	Finance	66,530	(89,889)	(156,419)	Y	• (£0.159m) spend under budget relating to vacancy Management

Overview & Scrutiny	Leader	276,190	326,745	50,555	A	• Minor variance to budget as at Outturn
Feedback and Insights	Leader	11,490	(22,263)	(33,753)	Y	• Minor variance to budget as at Outturn
Service Director Legal & Governance (MO)	Finance	397,780	285,083	(112,697)	Y	• (£0.116m) Provision for Bad Debt across Legal & Goverance

Service Area		Budget	Outturn	Variance	RAGY	
PENSIONS		**246,260**	**333,341**	**87,081**	**A**	
Pensions	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Pensions	Finance	246,260	333,341	87,081	A	• Minor variance to budget as at Outturn - correction on non-controllable insurance account code is movement between controllable and non-controllable variances.

Service Area		Budget	Outturn	Variance	RAGY	
STRATEGY		**489,400**	**658,140**	**168,740**	**R**	
Strategy	**Portfolio Holder**	**Budget**	**Outturn**	**Variance**	**RAGY**	**OUTTURN NARRATIVE - VARIANCE TO BUDGET**
Ring Fenced Public Health Services	Health	(1,080,990)	(1,079,802)	1,188	G	• Minor variance to budget as at Outturn
Adult Social Care Training	Social Care	435,180	332,491	(102,689)	Y	• Additional transformation funding applied £0.091m
Children & Young People Learning & Development	Children & Education	353,160	285,023	(68,137)	Y	• Minor variance to budget as at Outturn
Partnerships & Economic Development	Transport & Economic Growth	12,600	58,108	45,508	G	• Minor variance to budget as at Outturn
Emergency Planning	Leader	45,710	78,573	32,863	G	• Minor variance to budget as at Outturn
Broadband	Transport & Economic Growth	119,660	126,101	6,441	G	• Minor variance to budget as at Outturn
Domestic Abuse	Health	36,130	38,539	2,409	G	• Minor variance to budget as at Outturn
Communications	Deputy Leader & Communities	278,400	9,065	(269,335)	Y	• (£0.236m) Vacancy Management efficiencies achieved • (£0.033m) Additional Public Health Grant contributions
Business Improvement: Data, Analysis and Intelligence	Leader	55,210	95,261	40,051	G	• Minor variance to budget as at Outturn
Risk Management	Finance	(13,960)	94,409	108,369	R	• Risk team no longer included in insurance recharges
Commercial Services Business Development	Finance	(57,360)	(15,162)	42,198	G	• Minor variance to budget as at Outturn
Climate Change	Transport & Economic Growth	(168,940)	188,274	357,214	R	• £0.295m shortfall on Pyrolysis and solar farm Income • £0.062m additional legal costs
Programme Management	Deputy Leader & Communities	308,190	420,938	112,748	R	• Transfer of service director's budgets from here to Service Director Strategy and Change

Service Director Strategy and Change	Deputy Leader & Communities	166,410	26,322	(140,088)	Y	• Transfer of service director's budgets from Programme Management to here

APPENDIX 2

UPDATE IN DELIVERY OF 2025/26 SAVINGS PROPOSALS

Summary

The savings delivered for 2025/26 are summarised in the table below:

Savings Target	Delivered	Projected Delivery	Indicative Plans	Delivery to be Confirmed
£59,876,040	£17,722,405	£17,722,405	£0	£42,153,635
	% Delivered	% Projected Delivery	% Indicative Plans	% Delivery to be Confirmed
	29.60%	29.60%	0.00%	70.40%

29.60% of total savings have been delivered during the year. The MTFP for future years sets out removal of some of the 70.4% of unachieved savings with new financial year savings plans to be progressed to ensure that savings proposals can be delivered on an ongoing basis in order to eliminate any future savings pressures.

Details by individual savings are below:

Individual Savings List 25/26

Savings Name	Savings Target	Delivered to Date (One-off)	Delivered to Date (Ongoing)	Delivered to Date Total	Projected Delivery (One-off)	Projected Delivery (Ongoing)	Projected Delivery Total	Indicative Plans in Place	Delivery to be Confirmed
EFF45 - Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).	£1,790,350	£1,790,350	£0	£1,790,350	£1,790,350	£0	£1,790,350	£0	-£0
EFF81 - New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement).	£645,220	£468,760	£176,460	£645,220	£468,760	£176,460	£645,220	£0	£0
EFF83 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Legal and Democratic).	£57,330	£57,330	£0	£57,330	£57,330	£0	£57,330	£0	£0
EFF84 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Finance and IT).	£20,740	£20,740	£0	£20,740	£20,740	£0	£20,740	£0	-£0
MD001 - Further increase funding of public health reserves to support preventative initiatives at the children's, adults and customer front-door (earliest point of contact). Was included in the 2024/25 budget for one year only and is shown here as being removed.	-£200,000	£0	-£200,000	-£200,000	£0	-£200,000	-£200,000	£0	-£0
MD012 - Supported living - Reduce the need for 24 hour provision and increase independence through alternative resources such as technology	£873,190	£0	£345,794	£345,794	£0	£345,794	£345,794	£0	£527,396
MD016 - ASC - nighttime care and support service enabling people to stay at home	£520,000	£0	£250,000	£250,000	£250,000	£0	£250,000	£0	£270,000
MD019 - The council would need to encourage more people to foster across the county	£1,375,000	£0	£1,410,018	£1,410,018	£0	£1,410,018	£1,410,018	£0	-£35,018
MD020 - Stepping Stones	£3,758,000	£0	£2,273,473	£2,273,473	£0	£2,273,473	£2,273,473	£0	£1,484,527
MD021 - Increase in income from care contributions	£1,000,000	£0	£1,000,000	£1,000,000	£0	£1,000,000	£1,000,000	£0	£0
MD022 - Increase in in-house provider charges	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0
MD023 - Partnership working CHC and 117	£650,000	£0	£650,000	£650,000	£0	£650,000	£650,000	£0	-£0
MD026 - Shared lives cost avoidance delivered through increase in capacity	£300,000	£0	£111,090	£111,090	£0	£111,090	£111,090	£0	£188,910
MD027 - Supporting independence through Reviews (including LDSL/DPs and Tech etc)	£1,610,000	£0	£1,610,000	£1,610,000	£0	£1,610,000	£1,610,000	£0	£0
MD028 - Fee uplift review	£1,500,000	£0	£0	£0	£0	£0	£0	£0	£1,500,000
MD029 - ASC contracts and performance management	£600,000	£0	£600,000	£600,000	£0	£600,000	£600,000	£0	£0
MD030 - Home to school transport - academic days	£178,900	£0	£178,900	£178,900	£0	£178,900	£178,900	£0	-£0
NI003 - ASC Telecare	£500,000	£0	£400,000	£400,000	£400,000	£0	£400,000	£0	£100,000
NI004 - Expand the Handy Person service to a wider range of customers, including fee payers, supporting independent living	£10,000	£0	£10,000	£10,000	£0	£10,000	£10,000	£0	-£0
NI006 - Increase income from Museums and Archives services	£100,000	£81,440	£18,560	£100,000	£81,440	£18,560	£100,000	£0	£0
NI007 - Increase income from an enhanced memorial and ceremony offer at Council sites	£10,000	£0	£10,000	£10,000	£0	£10,000	£10,000	£0	-£0
NI008 - Increase income from an improved range of wedding and partnership ceremony packages	£2,000	£0	£2,000	£2,000	£0	£2,000	£2,000	£0	£0
PPR0 - Rightsizing	£11,723,400	£0	£0	£0	£0	£0	£0	£0	£11,723,400

PRF&C0 - Income	£3,848,740	£0	£0	£0	£0	£0	£0	£0	£3,848,740
PRR1 - Legal & Governance Resizing	£100,000	£0	£34,680	£34,680	£0	£34,680	£34,680	£0	£65,320
PRR2 - Enabling Resizing	£1,256,000	£0	£0	£0	£0	£0	£0	£0	£1,256,000
PRR4 - Children's Rightsizing	£2,000,000	£0	£0	£0	£0	£0	£0	£0	£2,000,000
PRR5 - Infrastructure Resizing	£850,000	£0	£0	£0	£0	£0	£0	£0	£850,000
PRR6 - Care & Wellbeing Rightsizing	£1,300,000	£0	£0	£0	£0	£0	£0	£0	£1,300,000
PRTPS0 - Third Party	£12,991,240	£0	£1,785,449	£1,785,449	£0	£1,785,449	£1,785,449	£0	£11,205,791
RC003 - Further increase allocation of the public health grant to support preventative initiatives at the children's, adults and customer front-door.	£70,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£0	£0
RC004 - Capitalisation of reserves as one off for staff and projects relating to transformation work to further increase funding of public health reserves to support preventative initiatives. This is for 2024/25, in addition to 1,000,000 in 23/24. This is being removed in 2025/26.	-£1,000,000	£0	-£1,000,000	-£1,000,000	£0	-£1,000,000	-£1,000,000	£0	£0
RC011/19 - Review and right size business support function	£312,500	£0	£312,500	£312,500	£0	£312,500	£312,500	£0	£0
RC016 - Agency Staff - reducing use of agency staff; promote permanent staffing.	£85,000	£0	£0	£0	£0	£0	£0	£0	£85,000
RC025 - Review and resize the Housing Services team	£64,000	£64,000	£0	£64,000	£64,000	£0	£64,000	£0	£0
RC026 - Review and potential reduction of some leisure provision to achieve cost reductions.	£100,000	£0	£70,000	£70,000	£0	£70,000	£70,000	£0	£30,000
RC029 - Review staffing and resize the Rights of Way team	£6,460	£0	£6,460	£6,460	£0	£6,460	£6,460	£0	-£0
RC030 - Review staffing and resize the Outdoor Partnerships team	£13,840	£0	£13,840	£13,840	£0	£13,840	£13,840	£0	-£0
RC032 - Review Library Services to ensure maximum efficiencies including funding reviews and reshaping/reductions of services	£220,540	£49,340	£151,200	£200,540	£49,340	£151,200	£200,540	£0	£20,000
RC040 - Dispose of Shirehall quicker and relocate services	£1,300,000	£0	£1,005,540	£1,005,540	£0	£1,005,540	£1,005,540	£0	£294,460
RC074 - Anticipated cost reductions in Revenues & Benefits arising from improvement of in-house Temporary Accommodation provision.	£1,000,000	£0	£449,891	£449,891	£0	£449,891	£449,891	£0	£550,109
RC078 - New model for future delivery of the Council's Out of Hours calls triage and Shrewsbury Town Centre CCTV monitoring	£47,310	£17,310	£30,000	£47,310	£17,310	£30,000	£47,310	£0	£0
RC083 - Review and secure cost reductions in the pooled training budget	£17,270	£0	£17,270	£17,270	£0	£17,270	£17,270	£0	£0
RC087 - DSG funding of SEND pressures	£500,000	£0	£500,000	£500,000	£0	£500,000	£500,000	£0	-£0
RC088 - Increased charges for car parking in Shrewsbury and Ludlow but retaining Park and Ride Services.	£250,000	£0	£250,000	£250,000	£0	£250,000	£250,000	£0	-£0
RC089 - Increased charges for car parking across the County.	£500,000	£0	£0	£0	£0	£0	£0	£0	£500,000
RC090 - Residents' only parking will be enforced for an annual residents fee.	£100,000	£0	£0	£0	£0	£0	£0	£0	£100,000
RC091 - More fixed penalties issued for dog fouling, littering and illegal parking.	£300,000	£0	£0	£0	£0	£0	£0	£0	£300,000
RC092 - Large scale switch off of street lights to reduce energy costs and carbon emissions.	£150,000	£0	£226,000	£226,000	£0	£226,000	£226,000	£0	-£76,000
RC094 - Waste contract efficiencies across the waste service including review of garden waste collection costs and HRC opening times to be delivered through negotiated changes to the contract.	£987,000	£0	£387,000	£387,000	£0	£387,000	£387,000	£0	£600,000
RC096 - Asking other organisations (commercial companies) to manage our leisure centres for us.	£200,000	£0	£0	£0	£0	£0	£0	£0	£200,000
RC097 - Management of green spaces and areas of outstanding natural beauty will be passed to town or parish councils, where they choose to take that on.	£200,000	£0	£200,000	£200,000	£0	£200,000	£200,000	£0	£0
SC002 - Review education transport arrangements - changes to policy and delivery models (mainstream and SEND)	£400,000	£0	£400,000	£400,000	£0	£400,000	£400,000	£0	£0
SC008 - Review staffing and resize the Empty Homes service	£47,010	£0	£47,010	£47,010	£0	£47,010	£47,010	£0	£0
SC013 - Rationalise property and buildings to secure revenue savings (e.g. utilities, security, repairs and maintenance etc). Use reductions to secure additional capital receipts.	£3,000,000	£0	£500,000	£500,000	£0	£500,000	£500,000	£0	£2,500,000
TO001 - Explore shared emergency planning resource and resilience with partners.	£15,000	£0	£0	£0	£0	£0	£0	£0	£15,000
TO002 - Review the use of the UK Shared Prosperity Fund (UKSPF) to maximise grant funding	£60,000	£0	£60,000	£60,000	£0	£60,000	£60,000	£0	£0
TO004 - Review funding arrangements and contributions from external sources to higher cost placements	£500,000	£0	£500,000	£500,000	£0	£500,000	£500,000	£0	-£0
TO009 - Review service synergies to secure cost reductions across Highways, Maintenance, and Outdoors services.	£1,000,000	£0	£250,000	£250,000	£0	£250,000	£250,000	£0	£750,000
Total	**£59,876,040**	**£2,549,270**	**£15,173,135**	**£17,722,405**	**£3,199,270**	**£14,523,135**	**£17,722,405**	**£0**	**£42,153,635**

APPENDIX 3

AMENDMENTS TO ORIGINAL BUDGET 2025/26

	Total £'000	Care & Wellbeing £'000	Children & Young People £'000	Commissioning £'000	Communities & Customer £'000	Corporate £'000	Enabling £'000	Executive Management Team £'000	Infrastructure £'000	Legal, Governance & Planning £'000	Pensions £'000	Strategy £'000
Quarter 2 Revised Budget (as a result of wholescale Council restructure implemented July 2025)	**288,586**	**136,184**	**90,785**	**42,646**	**16,678**	**(59,544)**	**6,580**	**5,160**	**43,737**	**5,847**	**228**	**285**
Quarter 3 Virement	**0**	**144**	**179**	**690**	**110**	**(1,684)**	**367**	**0**	**65**	**78**	**11**	**40**
Quarter 3 Structure Changes	**0**	**2,100**	**0**	**0**	**0**	**0**	**0**	**(2,100)**	**0**	**0**	**0**	**0**
Quarter 4 Virements:												
Realign Apprenticeship Levy to new restructure of Service Director Cost centres	0	100	159	25	35	(50)	74	(470)	45	53	7	22
Correct pay award virement back to Public Health – ringfenced	0					16						(16)
Removal of historic Invest to Save funding	0		(159)									159
Redistribute Unison recharges to Executive Management Team cost centres	0	(75)		75	(3)			3				
Staffing virement in relation to Workforce Board Approval	0				1			(1)				
Quarter 4 Structure Changes:												
Final Revised Budget 2025/26	**288,586**	**138,453**	**90,964**	**43,436**	**16,821**	**(61,262)**	**7,021**	**2,592**	**43,847**	**5,978**	**246**	**490**

APPENDIX 4

GENERAL FUND BALANCE

4.1 The General Fund reserve at 31st March 2025 stood at £4.825m, below the target level which is £15m-£30m as a minimum. The 2025/26 budget strategy included a contribution of £29.455m to the General Fund balance which would then reach £34.280m.

4.2 It is essential that the Council retains the General Fund Balance to be able to mitigate any unforeseen shocks (such as ongoing inflationary increases, climate events such as flooding and drought, or rapid reductions in available resources due to changed national policy). Independent advice is that General Fund un-earmarked reserves should equate to 5%- 15% of net spending.

4.3 The outturn of £29.788m, following the application of Exceptional Financial Support, has been identified during the year as a cost pressure against the General Fund.

4.4 In 2019/20 – 2024/25, the General Fund was used to offset Shire Services' deficit outturn position, as the Shire Services' earmarked reserve had been fully utilised in 2019/20. This use of the General Fund effectively represents a loan to Shire Services which must be repaid. Shire Services have delivered a surplus in 2025/26 of £0.201m, which can now be used to repay an element of the General Fund contribution. Therefore, the total loan now stands at £1.043m, and it is still intended that this will be repaid within a reasonable time frame.

General Fund	£'000
Balance Brought Forward 1 April 2025	4,825
Budgeted Contribution 2025/26	29,455
Budgeted General Fund Balance as at 31st March	**34,280**
Non controllable insurance underspend	507
Controllable Overspend*	(29,787)
Balance as at 31 March 2026	**5,000**

* The surplus generated for 2025/26 Shire Services referred to in para. 5.4 is included within the controllable overspend of £29.787m.

APPENDIX 5

HOUSING REVENUE ACCOUNT 2025/26

As at 31st March 2026	Budget £ (as reported May 2025)	Outturn £	Variance Adverse/ (Favourable) £
Income			
Dwellings Rent	(22,669,082)	(22,185,445)	483,637
Garage Rent	(102,700)	(98,007)	4,693
Other Rent	(33,182)	(7,824)	25,358
Charges for Services	(1,174,578)	(1,569,361)	(394,783)
Total Income	**(23,979,542)**	**(23,860,637.1)**	**118,905**
Expenditure			
ALMO Management Fee	10,863,882	10,807,039	(56,843)
Supplies and Services	1,272,420	2,321,013	1,048,593
Capital Charges - Dwelling Depreciation	4,910,332	4,573,910	(336,422)
Capital Charges - Depreciation Other	287,338	372,100	84,762
Interest Paid	3,254,302	3,988,739	734,437
Repairs charged to revenue	730,752	1,095,312	364,560
New Development Feasibility	190,179	48,789	(141,390)
Increase in Bad Debt Provision	108,826	93,952	(14,874)
Corporate & Democratic Core	551,214	368,547	(182,667)
Total Expenditure	**22,169,245**	**23,669,400**	**1,500,155**
Net Cost of Services	**(1,810,297)**	**(191,237)**	**1,619,060**
Revenue Financing Capital Expenditure	5,790,417	0	(5,790,417)
Loan repayments	0	0	0
(Surplus)/deficit for the year	**3,980,120**	**(191,237)**	**(4,171,357)**
Interest Received	(247,552)	(1,180,322)	(932,770)
Net Cost of Service/(Surplus) for Year	**3,732,568**	**(1,371,559)**	**(5,104,127)**
HRA Reserve			
B/fwd 1 April	(9,505,000)	(14,860,594)	
Surplus/(Deficit) for year	3,732,568	1,371,559	
Carried Forward 31 March	(6,788,000)	(13,489,035)	

APPENDIX 6

EARMARKED RESERVES

6.1 The change in revenue reserves and provisions are detailed on the table below and shows a reduction in the overall reserves and provisions held.

Movement in Reserves and Provisions 2025/26

	Reserves £'000	Provisions £'000	Bad Debt Provisions £'000	Total Reserves and Provisions £'000
As at 31 March 2025	25,455	11,225	20,753	57,433
As at 31 March 2026	29,811	10,687	22,593	63,091
Increase/(Decrease)	**4,356**	**(539)**	**1,840**	**5,658**
Delegated School Balances Movement	(1,994)	0	0	(1,994)
Increase/(Decrease) (excluding Delegated Schools Balances)	**6,351**	**(539)**	**1,840**	**7,652**

Schedule of Earmarked Reserves and Provisions:

Reserves	Purpose of Balance	Balance Brought Forward (£'000)	Movement Out 2025/26 (£'000)	Movement In 2025/26 (£'000)	Balance Carried Forward (£'000)
Corporate Reserves					
Redundancy	Required to meet one-off costs arising from approved staffing reductions, allowing the full approved savings in salaries or wages to reach the revenue account.	0	0	0	0
Development Reserve	Required to fund development projects or training that will deliver efficiency savings.	1,204	-2,285	6,000	4,919
Invest to save Reserve	Required to fund invest to save projects in order to deliver the service transformation programme.	491	-88	164	567
External Fund Reserve	Reserves held where the Council is the administering body for trust funds or partnership working.	1,723	-230	962	2,455
		3,417	**-2,602**	**7,126**	**7,941**
Reserves retained for service departmental use					
Building Control	Required to manage the position regarding building control charges.	274	-2	0	272
Care Act & IBCF Reserve	Required to fund the costs of implementing the Care Act requirements within the Council. This will be committed to the costs of one off posts required to implement the changes and training costs for staff within Adult Services. Plus unspent IBCF monies required to fund the IBCF programme in future years.	79	-6	198	271
Debt Recovery Reserve	Established to provide resources for improving the recovery of debts across the Council and Collection Fund.	221	34	-2	253

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Reserves	Purpose of Balance	Balance Brought Forward	Movement Out 2025/26	Movement In 2025/26	Balance Carried Forward
		(£'000)	(£'000)	(£'000)	(£'000)
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	163	0	0	163
Education Welfare Reserve	Eastblished from the traded Education Welfare Service for reivestment in the service.	0	110	0	110
Highways Development & Innovation Fund	Set aside funds for pump priming the Development and Innovation programme.	100	0	0	100
Housing Reserve	To fund known housing developments that will suppot the General Fund.	647	-551	3	99
Improvement Plan Reserve	Established from external funds received towards the Improvement Plan	0	0	115	115
Planning Reserve	Set aside to fund developments within the Local Plan and any planning inquiry costs.	0	79	0	79
Public Health Reserve	This reserve includes balances committed to specific public health projects.	3,118	-493	764	3,389
Repairs & Maintenance Reserve	Set aside for known repairs and maintenance required to Council owned properties.	214	0	0	214
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2024/25	3,911	-1,403	2,112	4,620
Schools Building Maintenance Insurance	The schools building maintenance insurance scheme is a service provided by Property Services for schools. In return for an annual sum all structural repairs and maintenance responsibilities previously identified as the "authority's responsibility" are carried out at no additional charge to the school.	1,564	-37	0	1,527
Severe Weather	Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the Council is to budget for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.	0	0	0	0
Shire Catering and Cleaning Efficiency	Built up from trading surpluses to invest in new initiatives, to meet exceptional unbudgeted costs or cover any trading deficits.	0	-2	2	0
Streetworks Reserve	Established from additional income generated within the service to be reinvested in the service	358	0	82	439
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	37	0	0	37
		10,685	**-2,270**	**3,273**	**11,688**
Capital Investment Reserves					
Revenue Commitments for Future Capital Expenditure	Comprises of underspends against budgeted revenue contributions available for capital schemes. The underspends have arisen due to slippage in capital schemes or because other funding streams were utilised during the year so as to maximise time limited grants.	3,210	-2,370	900	1,740
		3,210	**-2,370**	**900**	**1,740**
Insurance Reserves					
Fire Liability	Required to meet the cost of excesses on all council properties.	838	-476	163	526
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	611	-141	100	570
		1,450	**-617**	**263**	**1,096**

Reserves	Purpose of Balance	Balance Brought Forward	Movement Out 2025/26	Movement In 2025/26	Balance Carried Forward
		(£'000)	(£'000)	(£'000)	(£'000)
Financial Risks					
Financial Strategy Reserve	Established specifically to provide one off funding for savings proposals in the Financial Strategy	0	5,677	-4,629	1,049
Financial Risk - Adult Social Care	Established to address the financial risk of additional unforeseen Adult Social Care Demand	0	700	0	700
Financial Risk - Children's Social Care	Established to address the financial risk of additional unforeseen Children's Social Care Demand	0	400	0	400
Financial Risk - Economic Risk	Established to address the financial risk arising from changing economic conditions that may impact on the Council	0	500	0	500
		0	**7,277**	**-4,629**	**2,649**
School Balances					
Balances held by schools under a scheme of delegation	Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion.	6,693	-6,716	4,721	4,699
		6,693	**-6,716**	**4,721**	**4,699**
Total Reserves		**25,455**	**-7,297**	**11,654**	**29,812**
Provisions					
Provisions - Short Term					
Accumulated Absences Account	Provision to cover potential future payments of employee benefits not taken as at the end of the year. This is required under IFRS accounting regulations.	3,213	-3,213	2,878	2,878
Other Provisions - Short Term	Includes a number of small provisions including Environmental Maintenance contract commitments and Shopping Centre rental payments	1,897	-1,721	172	348
Provisions - Long Term					
Other Provisions - Long Term	Includes a number of small provisions including S106 Accrued Interest, profit share agreements and Shopping Centre rental payments.	0	0	0	0
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	244	-9	53	288
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	3,968	-625	813	4,156
NDR Appeals	Represents the Council's share of the provision held for successful appeals against business rates.	1,904	-1,417	2,529	3,017
Council Tax Bad Debt	Held for potential write offs of Council tax debtor balances.	12,669	-208	2,156	14,617
NNDR Bad Debt	Held for potential write offs of NNDR debtor balances.	2,610	3	91	2,704
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	5,135	-1,075	789	4,848
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	339	-10	94	423
Total Provisions		**31,978**	**-8,275**	**9,576**	**33,280**
Total Reserves & Provisions		**57,433**	**-15,572**	**21,230**	**63,091**

Delegated School Balances

6.2 The movement in delegated schools balances are detailed in the table below.

Movement in delegated school balances 2025/26

	2024/25 £'000	2025/26 £'000	Increase/ (Decrease) £'000
Schools:			
- Revenue Balances	4,703	2,256	(2,447)
- Invested Balances	1,211	1,289	78
- Extended Schools Activities Balance	780	1,154	374
Total Delegated Schools Balances	**6,694**	**4,699**	**(1,995)**

6.3 Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. Of the 77 schools with balances, 7 have deficit balances.

6.4 The Extended Schools activities allocations for schools have increased marginally during 2025/26. These balances are ringfenced to each individual school within School Balances.

6.5 In 2020, new reporting requirements were introduced to establish a new reserve for Dedicated Schools Grant (DSG) balances. For those local authorities with a DSG balance surplus, the requirement is that the surplus is held in an earmarked useable reserve, and any deficit is held in an unusable reserve named the DSG Adjustment Account. In 2024/25 the Council held a DSG deficit of £17.651m, and this has increased further to £45.655m.

APPENDIX 7

REVISED CAPITAL PROGRAMME

Detail	Agreed Capital Programme - Council 27/02/25 £	Slippage & Budget Changes Approved To Quarter 3 2025/26 £	Quarter 4 Budget Changes to be Approved £	Revised 2025/26 Capital Programme Quarter 4 £
General Fund				
Care & Wellbeing	0.414	0.010	(0.000)	0.425
Children & Young People	12.461	(4.695)	0.025	7.792
Commissioning	1.522	1.492	0.000	3.013
Communities & Customer	5.808	1.571	0.322	7.701
Enabling	22.063	(13.659)	(0.722)	7.682
Infrastructure	88.916	(41.178)	(30.989)	16.748
Legal,Governance & Planning	0.636	0.612	0.003	1.250
Strategy	9.553	(3.422)	0.011	6.141
Total General Fund	**141.373**	**(59.269)**	**(31.350)**	**50.753**
Housing Revenue Account	20.687	1.52	4.42	26.622
Total Approved Budget	**162.059**	**(57.752)**	**(26.932)**	**77.375**

APPENDIX 8

CAPITAL PROGRAMME OUTTURN POSITION BY SERVICE AREA 2025/26

	Revised Capital Programme - Outturn 2025/26 £	Actual Expenditure 31/03/2026 £	Variance £	Spend To Budget %
General Fund				
Care & Wellbeing	0.425	0.256	0.169	60.2%
Children & Young People	7.792	5.123	2.669	65.7%
Commissioning	3.013	2.880	0.134	95.6%
Communities & Customer	7.701	12.997	(5.296)	168.8%
Enabling	7.682	10.524	(2.842)	137.0%
Infrastructure	16.748	7.985	8.763	47.7%
Legal,Governance & Planning	1.250	0.994	0.257	79.5%
Strategy	6.141	6.462	(0.321)	105.2%
Total General Fund	**50.753**	**47.220**	**3.533**	**93.0%**
Housing Revenue Account	26.622	21.479	5.143	80.7%
Total Approved Budget	**77.375**	**68.698**	**8.677**	**88.8%**

APPENDIX 9

SUMMARY OF SIGNIFICANT VARIANCES BETWEEN REVISED OUTTURN BUDGET AND OUTTURN EXPENDITURE BY SERVICE AREAS FOR 2025/26

The overall capital programme, both General Fund and HRA, outturned at £68.698m expenditure against a budget profile of £77.375m for the 2025/26 financial year, a £8.677m underspend against expected profile or 88.8% expenditure against budget.

Care & Wellbeing – Total underspend against Care & Wellbeing was £0.169m which mainly related to a £0.122m underspend on Supported Living adaptations.

Children & Young People :
Devolved Formula Capital/Energy Efficiency Grant - spend of £0.783m against budget £0.998m. Expenditure from this programme is controlled by schools. In general schools use this funding for a variety of small and medium projects and procuring IT equipment. As with other programmes funded through standards fund grant, the expenditure is not immediately reflected in capital accounts, and unspent balances can be carried forward to subsequent financial years. Underspend £0.215m rephased to 2026/27 programme

Condition Funding – spend of £1.460m against a budget of £2.555m. This fund is used to maintain school buildings through a prioritised planned delivery programme. Most works have to be scheduled during school closure periods and natural rephasing of schemes occurs in order to enable this. Underspend of £1.1m rephased to 2026/27 programme.

Special Educational Needs – spend of £2.242m against a budget of £3.347m. This capital funding is used to develop the provision of special educational needs within primary and secondary schools.

Commissioning – Underspend of £0.153m in relation to Leisure capital schemes with a budget of £3.013m.

Communities & Customer – Housing service have had expenditure of £9.708m compared to a budget of £4.910m. Whilst this represents a significant overspend, this is in relation to the Integrated Community Equipment Loan Service and Disabled Facilities Grant and it was agreed that additional contributions would be received from partner organisations and the Better Care Fund to fully fund this expenditure.

Enabling
Corporate Landlord – Spend of £6.733m compared to a budget of £4.575m. The main underspend within the Corporate Landlord budget related to the Shrewsbury Town Centre Riverside Redevelopment, which was fully funded through the Levelling Up Fund.

Legal, Governance & Planning –

Infrastructure
Highways Maintenance - Spend on highways infrastructure amounted to £33.3m for this programme of work which includes Highways, Structures, Lighting and Drainage. This has

been funded from Government Grants of £12.149m Road Maintenance Fund, £18.218m from the Government Pot Hole Fund and £2.289m Incentive Fund.

This service area outturned at £1.421m underspend. This was predominantly as a result of delays in structural maintenance of bridges. This underspend will be carried forward to 2026/27.

North-West Relief Road – The North West Relief road scheme has been cancelled during 2025/26, and so the budget and all expenditure incurred on the scheme over previous years, has been reversed out of the capital programme in 2025/26.

Flood Defence and Water Management - Outturn position overall £1.440m underspend against budget. Shropshire Council is acting as project lead on a number of Environment Agency funded Demonstrator Flood Prevention Projects and mitigations, including the Rea Brook project, and further innovation and technological intervention projects. This is grant funding that will be rephased into the 2026/27 programme for delivery.

Integrated Transport Grant - Outturn Position overall £1.994m underspend against budget. This is due to timing delivery of smaller schemes required to improve road safety and improvements across the County that have been delayed until the 2026/27 financial year.

Strategy - A small overspend of £0.321m against a budget of £6.141m which was due to additional costs for the Pyrolysis project which has been funded through borrowing which will be repaid through the income generated through the project.

APPENDIX 10

REVISED CAPITAL PROGRAMME FINANCING 2025/26

Detail	Agreed Capital Programme - Council 27/02/25 £	Slippage & Budget Changes Approved To Quarter 3 2025/26 £	Quarter 4 Budget Changes to be Approved £	Revised 2025/26 Capital Programme Quarter 4 £
Financing				
Self Financed Prudential Borrowing *	27.374	(8.271)	(0.002)	19.102
Government Grants	101.189	(36.823)	(19.695)	44.671
Other Grants	0.489	0.003	0.000	0.492
Other Contributions	10.236	(5.857)	(4.638)	(0.259)
Revenue Contributions to Capital	1.277	0.237	0.080	1.593
Major Repairs Allowance	5.322	1.589	0.000	6.911
Corporate Resources (expectation - Capital Receipts only)	16.173	(8.630)	(2.677)	4.866
Total Confirmed Funding	**162.059**	**(57.752)**	**(26.932)**	**77.375**

APPENDIX 11

CAPITAL PROGRAMME 2026/27 to 2028/29

Detail	2026/27 £	2027/28 £	2028/29 £
General Fund			
Care & Wellbeing	-	-	-
Children & Young People	16,273,086	26,941,500	2,500,000
Commissioning	2,050,000	1,075,000	-
Communities & Customer	7,784,483	7,154,651	4,500,000
Enabling	23,602,310	7,980,000	3,110,000
Infrastructure	62,888,491	57,684,300	56,303,400
Legal,Governance & Planning	315,613	200,346	-
Strategy	5,300,000	4,000,000	-
Total General Fund	**118,213,983**	**105,035,797**	**66,413,400**
Housing Revenue Account	27,166,079	24,500,001	22,700,001
Total Approved Budget	**145,380,062**	**129,535,798**	**89,113,401**
Financing			
Self Financed Prudential Borrowing *	23,917,871	11,432,553	7,932,553
Government Grants	90,946,736	77,564,858	66,070,848
Other Grants	11,748	-	-
Other Contributions	3,467,524	14,400,253	-
Revenue Contributions to Capital	7,097,023	4,100,000	3,000,000
Major Repairs Allowance	5,000,000	5,000,000	5,000,000
Corporate Resources (expectation - Capital Receipts only)	14,939,160	17,038,134	7,110,000
Total Confirmed Funding	**145,380,062**	**129,535,798**	**89,113,401**

APPENDIX 12

PROJECTED CAPITAL RECEIPTS POSITION

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

12.2 The Council's requirement for capital receipts of £31.843m reported at Quarter 3 included funding the Council's transformational activities: the Voluntary Redundancy Programme, compulsory redundancies, specific transformation projects and the Council's Strategic Transformation Partner. In December 2025 the Council applied to the Government for Exceptional Financial Support, which has been approved in principle and creates the ability for the Council to borrow to fund its' transformational activities in 2025-26 and so protect capital receipts. An amount of £10.000m was approved for this purpose and this has been fully utilised in 2025/26. This successful submission, along with the reprofiling of the HRA capital scheme funded via capital receipts, has significantly improved the Council's capital receipts position as shown in the table below.

	2025/26	2026/27	2027/28	2028/29	2029/30
Corporate Resources Allocated in Capital Programme	7,518,022.05	14,939,160	17,038,134	7,110,000	4,326,000
Capital Programme Ring-fenced receipt requirements	-	18,301,066	9,054,000	6,181,991	-
Transformation activities	14,791,756	-	-	-	-
Transformation activities funded with EFS Approval	- 10,000,000				
Total Commitments	**12,309,778**	**33,240,226**	**26,092,134**	**13,291,991**	**4,326,000**
Capital Receipts in hand/projected:					
Brought Forward in hand	24,432,326	22,308,833	3,701,548	- 22,325,586	- 35,617,577
Generated 2025/26 YTD	10,186,286	-	-	-	-
Projected - 'Green'	-	14,632,941	65,000	-	
Total in hand/projected	**34,618,611**	**36,941,774**	**3,766,548**	**- 22,325,586**	**- 35,617,577**
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	**- 22,308,833**	**- 3,701,548**	**22,325,586**	**35,617,577**	**39,943,577**
Further Assets Being Considered for Disposal (Amber/Red)	-	25,012,122	12,931,170	-	-

12.3 Capital receipts of £10.186m were realised in year, resulting in an in-year capital receipts deficit of £2.123m and a cumulative capital receipts surplus of £22.309m in hand as at 31/03/2026. These receipts will be set-aside, enabling the Council to achieve an additional MRP saving of £0.363m in 2026/27. These capital receipts are required to finance schemes they are allocated to in the future years' capital programme.

12.4 Based on the current approved position, across the life of the programme there are significant shortfalls in capital receipt projections of £22.326m and £35.618m in 2026/27 and 2027/28 respectively based on receipts rated green in the RAG analysis to fund the required budget in the capital programme. There is, therefore, the requirement to progress the disposals currently rated amber and red to ensure they are realised, together with realising the revenue running cost savings from some of the properties. Considerable work is required to realise these receipts, with generally a lead in in time of at least 12 to 18 months on larger disposals. In addition to the current expenditure commitments, the programme will also grow as new schemes are approved. Officers are continuing to explore the potential to accelerate the realisation of capital receipts and to identify additional opportunities to achieve further capital receipts.

12.5 It is important that work progresses, to avoid funding shortfalls in 2027/28 and 2028/29 and minimise any shortfall in future years. Failure to generate the required level of capital receipts will result in the need to further reduce or re-profile the capital programme, some of which will occur naturally as part of the review of the delivery of schemes; or undertake prudential borrowing, which will incur future year's revenue costs that are not budgeted in the revenue financial strategy.

12.6 The projected shortfall in capital receipts is purely based on the currently approved capital programme for the period 2026-27 to 2028-29.

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APPENDIX 13

Shropshire Council – Capital Programme 2025/26 – 2028/29
Capital Programme Summary Outturn 2025/26

Service Area	Revised Budget Quarter 3 2025/26 £	Budget Virements Quarter 4 2025/26 £	Revised Budget Quarter 4 2025/26 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	2026/27 Revised Budget £	2027/28 Revised Budget £	2028/29 Revised Budget £
General Fund									
Care & Wellbeing Capital	424,762	0	424,762	255,599	169,163	60.17%	0	0	0
Children & Young People & Children's Social Care (CSC)	7,766,727	24,853	7,791,580	5,122,702	2,668,878	65.75%	16,073,086	26,291,500	2,500,000
Commissioning Capital	3,013,393	0	3,013,393	2,879,649	133,744	95.56%	2,050,000	1,075,000	0
Communities & Customer Capital	7,379,122	322,192	7,701,314	12,997,002	-5,295,688	168.76%	3,284,483	2,654,651	0
Enabling Capital	8,404,088	-721,720	7,682,368	10,524,302	-2,841,934	136.99%	23,602,310	7,980,000	3,110,000
Infrastructure Capital	47,737,216	-30,988,894	16,748,322	7,985,153	8,763,169	47.68%	62,888,491	57,684,300	56,303,400
Legal & Governance Capital	1,247,556	2,698	1,250,254	993,566	256,688	79.47%	315,613	200,346	0
Strategy Capital	6,130,565	10,678	6,141,243	6,461,890	-320,647	105.22%	5,300,000	4,000,000	0
Total General Fund	**82,103,429**	**-31,350,193**	**50,753,236**	**47,219,863**	**3,533,373**	**93.04%**	**113,513,983**	**99,885,797**	**61,913,400**
Housing Revenue Account	22,203,922	4,417,905	26,621,827	21,478,601	5,143,226	80.68%	27,166,079	24,500,001	22,700,001
Total Approved Budget	**104,307,351**	**-26,932,288**	**77,375,063**	**68,698,464**	**8,676,599**	**88.79%**	**140,680,062**	**124,385,798**	**84,613,401**

Service Area Detail	Revised Budget Quarter 3 2025/26 £	Budget Virements Quarter 4 2025/26 £	Revised Budget Quarter 4 2025/26 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	2026/27 Revised Budget £	2027/28 Revised Budget £	2028/29 Revised Budget £
General Fund									
Care & Wellbeing	**424,762**	**0**	**424,762**	**255,599**	**169,163**	**60.17%**	**0**	**0**	**0**
Adult Social Care Operations Capital	424,762	0	424,762	255,599	169,163	60.17%	0	0	0
Children & Young People & Children's Social Care (CSC)	**7,766,727**	**24,853**	**7,791,580**	**5,122,702**	**2,668,878**	**65.75%**	**16,073,086**	**26,291,500**	**2,500,000**
Children's Residential Care Capital	45,240	0	45,240	2,417	42,823	5.34%	0	0	0
Non Maintained Schools Capital	3,185,666	-68,875	3,116,791	2,321,688	795,103	74.49%	6,225,050	18,615,000	2,500,000
Primary School Capital	3,375,641	-84,731	3,290,910	2,192,053	1,098,857	66.61%	1,579,027	5,450,000	0
Primary School Managed Capital	1,202,460	-15,187	1,187,273	512,551	674,722	43.17%	130,000	0	0
Secondary School Capital	782	0	782	0	782	0.00%	0	0	0
Secondary School Managed Capital	58,236	0	58,236	0	58,236	0.00%	0	0	0
Shropshire Music Service Capital	105,727	0	105,727	66,032	39,695	62.45%	11,748	0	0
Special Schools Capital	23,281	-728	22,553	21,051	1,502	93.34%	4,972	0	0
Special Schools Managed Capital	8,354	0	8,354	6,911	1,443	82.73%	0	0	0
Unallocated School Capital	-238,660	194,374	-44,286	0	-44,286	0.00%	8,122,289	2,226,500	0
Commissioning	**3,013,393**	**0**	**3,013,393**	**2,879,649**	**133,744**	**95.56%**	**2,050,000**	**1,075,000**	**0**
Leisure Capital	3,013,393	0	3,013,393	2,879,649	133,744	95.56%	2,050,000	750,000	0
Waste Capital	0	0	0	0	0	0.00%	0	325,000	0
Communities & Customer	**7,379,122**	**322,192**	**7,701,314**	**12,997,002**	**-5,295,688**	**168.76%**	**3,284,483**	**2,654,651**	**0**
Community Hubs & Libraries Capital	279,189	0	279,189	261,347	17,842	93.61%	0	0	0
Housing Services Capital	7,090,237	317,752	7,407,989	12,580,739	-5,172,750	169.83%	2,709,483	2,654,651	0
Museums & Archives Capital	9,696	4,440	14,136	13,478	659	95.34%	0	0	0
Theatre Services Capital	0	0	0	141,438	-141,438	0.00%	575,000	0	0
Enabling	**8,404,088**	**-721,720**	**7,682,368**	**10,524,302**	**-2,841,934**	**136.99%**	**23,602,310**	**7,980,000**	**3,110,000**
ICT Infrastructure Capital	0	0	0	0	0	#DIV/0!	2,846,000	2,480,000	1,610,000
Property & Asset Capital	8,404,088	-721,720	7,682,368	10,524,302	-2,841,934	136.99%	20,756,310	5,500,000	1,500,000

Service Area Detail	Revised Budget Quarter 3 2025/26 £	Budget Virements Quarter 4 2025/26 £	Revised Budget Quarter 4 2025/26 £	Actual Spend £	Spend to Budget Variance £	% Budget Spend	2026/27 Revised Budget £	2027/28 Revised Budget £	2028/29 Revised Budget £
Infrastructure	**47,737,216**	**-30,988,894**	**16,748,322**	**7,985,153**	**8,763,169**	**47.68%**	**62,888,491**	**57,684,300**	**56,303,400**
Broadband Capital	1,610,626	348,000	1,958,626	1,482,734	475,892	75.70%	1,100,000	500,000	0
Environment and Transport (Public Transport) Capital	665,324	0	665,324	316,850	348,474	47.62%	2,424,800	1,453,400	1,482,100
Highways - Central Area Division Capital	265,000	-20,000	245,000	56,424	188,576	23.03%	270,000	0	0
Highways - Flood Defence & Water Management Capital	3,461,908	154,392	3,616,300	2,176,280	1,440,020	60.18%	1,904,413	0	0
Highways - Integrated Transport Capital	5,106,353	363,400	5,469,753	1,948,503	3,521,250	35.62%	20,348,130	10,217,900	11,329,300
Highways - North West Relief Road (NWRR)	269,477	-31,900,000	-31,630,523	-31,630,523	0	100.00%	0	0	0
Highways - Northern Area Division Capital	265,000	0	265,000	50,097	214,903	18.90%	270,000	0	0
Highways - Oxon Relief Road (OLR)	0	0	0	-717,884	717,884	0.00%	1,127,973	5,000,000	0
Highways - Southern Area Division Capital	365,000	0	365,000	253,726	111,274	69.51%	270,000	0	0
Highways - Street Lighting Capital	1,130,000	0	1,130,000	1,076,621	53,379	95.28%	1,100,000	0	0
Highways - Structural Maintenance of Bridges Capital	2,673,985	34,370	2,708,355	1,586,031	1,122,324	58.56%	2,500,000	0	0
Highways - Structural Maintenance of Roads Capital	29,997,935	40,242	30,038,177	30,287,675	-249,498	100.83%	31,276,297	40,504,000	43,492,000
National Landscapes and Outdoor Partnerships Capital	1,926,608	-9,298	1,917,310	1,098,620	818,690	57.30%	296,878	9,000	0
Legal & Governance	**1,247,556**	**2,698**	**1,250,254**	**993,566**	**256,688**	**79.47%**	**315,613**	**200,346**	**0**
Development Management Capital	148,847	2,698	151,545	114,857	36,688	75.79%	0	0	0
Planning Policy Capital	1,098,709	0	1,098,709	878,709	220,000	79.98%	315,613	200,346	0
Strategy	**6,130,565**	**10,678**	**6,141,243**	**6,461,890**	**-320,647**	**105.22%**	**5,300,000**	**4,000,000**	**0**
Climate Change Capital	1,697,865	0	1,697,865	2,433,745	-735,880	143.34%	1,300,000	0	0
Communications and Engagement Capital	76,029	0	76,029	76,029	0	100.00%	0	0	0
Growth & Development Capital	4,356,671	10,678	4,367,349	3,952,116	415,233	90.49%	4,000,000	4,000,000	0
Transformation Capital	0	0	0	0	0	0.00%	0	0	0
Total General Fund	**82,103,429**	**-31,350,193**	**50,753,236**	**47,219,863**	**3,533,373**	**93.04%**	**113,513,983**	**99,885,797**	**61,913,400**
Housing Revenue Account	**22,203,922**	**4,417,905**	**26,621,827**	**21,478,601**	**5,143,226**	**80.68%**	**27,166,079**	**24,500,001**	**22,700,001**
HRA Dwellings Capital	22,203,922	4,417,905	26,621,827	21,478,601	5,143,226	80.68%	27,166,079	24,500,001	22,700,001
Total Approved Budget	**104,307,351**	**-26,932,288**	**77,375,063**	**68,698,464**	**8,676,599**	**88.79%**	**140,680,062**	**124,385,798**	**84,613,401**

Cabinet 8th July 2026 Audit & Governance Committee 15th July 2026 Council 16th July 2026	Public

Annual Treasury Report 2025/26

Cabinet Member:	Councillor Roger Evans, Finance
Lead Director:	Duncan Whitfield, Section 151 Officer
Service Area:	Corporate Finance
Report Author	Cheryl Sedgley, Strategic Finance Manager
Officer contact details	cheryl.sedgley@shropshire.gov.uk
Electoral Divisions Affected	All
Key Decision?	Key
Cabinet Forward Plan	Yes – 25th March 2026
Report considered by	Cabinet 8th July 2026

1. Purpose of Report

1.1. This report provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

1.2. During 2025/26 the Council achieved all required targets for managing its financing arrangements, including day to day cashflow, short term investments and longer-term borrowings. Investment income of £2.409m was secured.

2. Recommendations

Members are asked to: -

2.1. Approve the actual 2025/26 prudential and treasury indicators in this report.

2.2. Note the annual treasury management report for 2025/26.

2.3. Note the inclusion of EFS borrowing in the 2025/26 position

3. Background

3.1. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2025/26. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

3.2. During 2025/26 the minimum reporting requirements were that the full Council should receive the following reports:

• an annual treasury strategy in advance of the year
• a mid-year treasury update report
• an annual review following the end of the year describing the activity compared to the strategy, (this report)

In addition, Cabinet has received quarterly treasury management update reports during the year.

3.3 The Council's treasury management debt and investment position is organised by the finance team to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. Assurance on liquidity is taken from detailed cashflow planning which is amended day by day and reviewed to identify issues and address them. Cash flow plans extend out 24 months. Day to day cash flow plans inform short term investment and borrowing planning, as well as supporting the planning for longer term investments and borrowings.

4. Summary of Main Proposals

4.1. During 2025/26, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparison to the target set in the Treasury Strategy, are detailed in Appendix C.

4.2. The returns on investment were marginally short of the benchmark (-0.14%), achieving a return of 4.19%. As cash balances held are low due to a reduced level of balances held, the Council needs to ensure cash balances are highly liquid, resulting in lower interest rates on short term deals. Whilst returns on investment are important, as we strive to achieve the best investment we can, the Council's priority is always to ensure security of funds and ensure we hold sufficient liquid balances. This will often mean that we cannot secure the higher rate investments as these are offered to longer term deals.

4.3. The Council does receive benchmarking analysis of its investments in relation to its comparative group and throughout 2025/26, its performance on investment were considered in line with the other organisations.

4.4. Treasury activities during the year have been within approved prudential and treasury indicators set and have complied with the Treasury Strategy.

4.5. The Council's Borrowing Strategy and Outturn position for 2025/26 can be found in Appendix A.

4.6. The Council's Investment Strategy and Outturn position for 2025/26 can be found in Appendix B.

5. Alternative Options

5.1. Not applicable

6. Key risks and Opportunities

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

7. Council Priorities

7.1. The requirement to manage the Council's cashflow position, treasury investments and borrowing efficiently and effectively is a key requirement in helping to deliver a financially sustainable council. By ensuring that any surplus monies are invested, this will generate essential additional income for the Council. Also by carefully managing the timescale and need to borrow funds, this can keep associated borrowing costs to a minimum for the Council.

8. Financial Implications

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

8.2. The 2025/26 performance is marginally below the benchmark for the reasons outlined in paragraph 2.2 of this report and has delivered income of £2.409 million which has been reflected in the Financial Outturn report for 2025/26.

9. Legal and HR implications

9.1. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for the year. This report provides this detail to fully meet this requirement.

10. Electoral Division Implications

10.1. Not applicable

1. Health, Social (including "Child Friendly Shropshire") and Economic Implications

1.1. Not applicable

2. Equality and Diversity Implications

2.1. Not applicable

3. Climate Change, Biodiversity and Environmental Implications

3.1. Not applicable

4. Background Papers

1. Treasury Strategy 2025/26 – Council, 27 February 2025
2. Treasury Management Update Quarter 1 2025/26 – Cabinet, 10 September 2025
3. Treasury Management Update Quarter 2 2025/26 – Cabinet, 3 December 2025
4. Treasury Strategy 2025/26 Mid-Year Review – Cabinet, 3 December 2025
5. Treasury Management Update Quarter 3 2025/26 – Cabinet, 11 February 2026
6. Treasury Management Update Quarter 4 2025/26 – Cabinet, 10 June 2026

5. Appendices

Appendix A – Borrowing Strategy and Outturn 2025/26

Appendix B – Investment Strategy and Outturn 2025/26

Appendix C – Prudential Indicators 2025/26

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APPENDIX A - BORROWING STRATEGY AND OUTTURN 2025/26

Borrowing Strategy for 2025/26

During 2025/26, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure. This strategy was prudent as near-term investment rates have generally been lower than medium to long-term borrowing costs. The latter are expected to fall a little through 2026 and 2027 in the light of economic growth concerns and the eventual dampening of inflation. The Authority has sought to minimise the taking on of long-term borrowing at elevated levels (>5%) and has focused on a policy of internal and temporary borrowing, supplemented by short-dated borrowing (<5 years on a maturity loan structure/ <10 years on an EIP loan structure) as appropriate.

The Council’s borrowing requirement identified within the capital programme 2025/26 to 2027/28 was self-financing prudential borrowing of £55.1m and the need to borrow externally was considered against the Council’s current under borrowed position and the level of cash balances held within the authority.

By maintaining an under-borrowed position, the Council has been utilising cash balances to internally “borrow” for prudential borrowing schemes. This has enabled the Council to benefit from saving on interest costs compared to the returns that could be generated on the cash balances. This approach has been effective during a period where the Council previously held significant cash balances.

Cash balances have reduced over the last two years as a result of reduced levels of reserves being held and loans continuing to reach their maturity dates. Therefore new borrowing has been undertaken to maintain an appropriate cash flow position, thereby reducing the under-borrowed position.

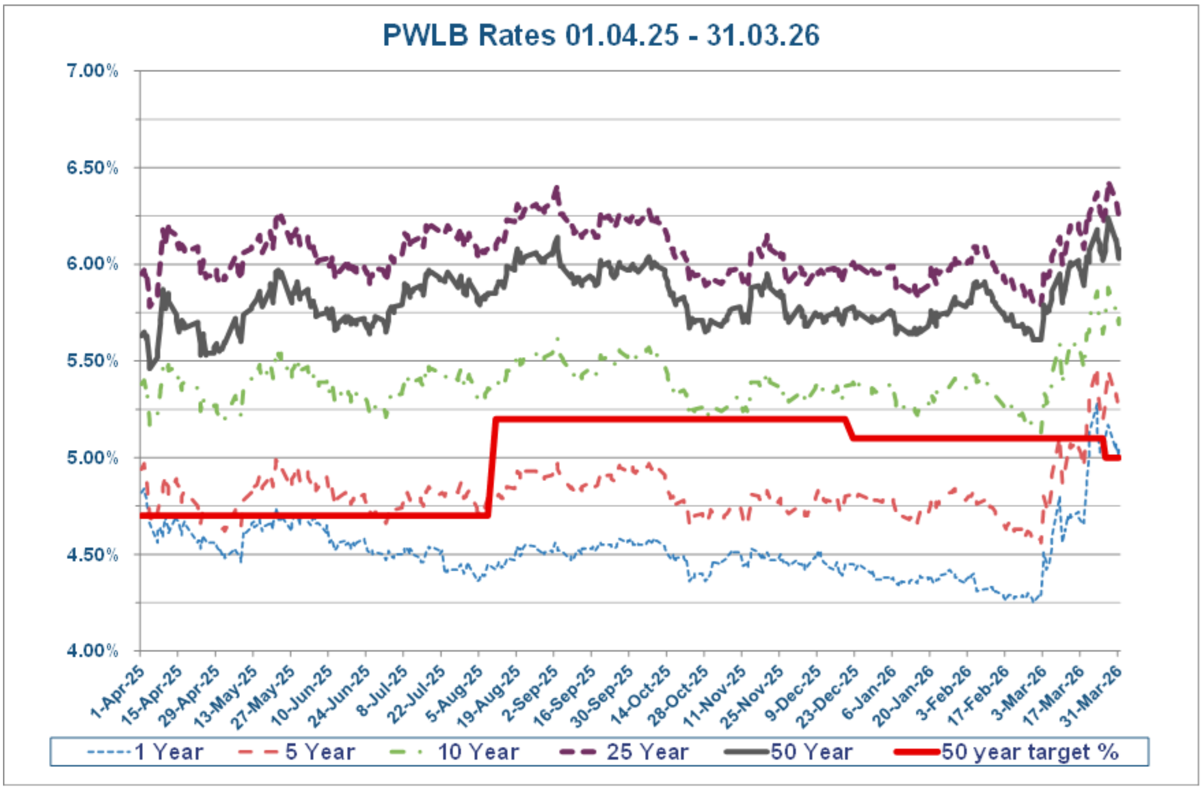
It should be noted that the Council is also managing a deficit position for the Dedicated Schools Grant (DSG), which stood at £45.6m. This is in effect being funded from Shropshire Council cash balances, and so in terms of managing cash flow, borrowing may be undertaken that may not have been necessary if the DSG had been funded fully. The Government has committed to providing a 90% High Needs Stability Grant during 2026/27 to offset the deficits held by local authorities in DSG, and so this will relieve the pressure on cash balances once this is received.

Interest rate forecasts initially suggested gradual reductions in short, medium and longer-term fixed borrowing rates during 2025/26. Bank Rate did reduce to 3.75% as anticipated, but the initial expectation of significant rate reductions across the whole curve did not transpire, primarily because inflation concerns were very elevated in March 2026.

At the start of April 2026, the market expected Bank Rate to increase over the coming months to 4% or 4.25%, from 3.75%, whilst all parts of the curve have also risen substantially through March. A significant fall in inflation will be required to underpin any material movement lower in the longer part of the curve.

Borrowing Outturn for 2025/26

The Finance Team take advice from its external treasury advisor, MUFG Corporate Markets, on the most opportune time to borrow. Movements in rates during 2025/26 are shown in the graph below.



The table below shows PWLB borrowing rates for a selection of maturity periods. The table also shows the high and low points in rates during the year, average rates during the year and individual rates at the start and the end of the financial year.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.25%	4.56%	5.13%	5.78%	5.46%
Date	27/02/2026	27/02/2026	02/03/2026	04/04/2025	04/04/2025
High	5.28%	5.47%	5.88%	6.43%	6.24%
Date	23/03/2026	23/03/2026	27/03/2026	27/03/2026	27/03/2026
Average	4.52%	4.82%	5.38%	6.06%	5.81%
Spread	1.03%	0.91%	0.75%	0.65%	0.78%

PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years.

However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. More recently, the Middle East conflict is likely to see inflation spike higher from late spring 2026 through to early 2027.

Gilt yields have been volatile through 2025/26. The low point for long-term rates of 25 and 50 years' duration was reached early in April 2025 whilst the low points for short and medium dated rates were reached in early 2026, prior to the outbreak of the Middle East conflict.

At the close of 31 March 2026, the 1-year PWLB Certainty rate was 5.04% whilst the 5, 10, 25 and 50 year rates were 5.28%, 5.72%, 6.29% and 6.08% respectively.

The Council had borrowing of £420.205m as at the 1st April 2025, and loans that have been drawn during 2025/26 are set out in the table below. The closing balance of loans as at 31 March 2026 is £459.705m which includes £61.8m of borrowing for Exceptional Financial Support during 2025/26.

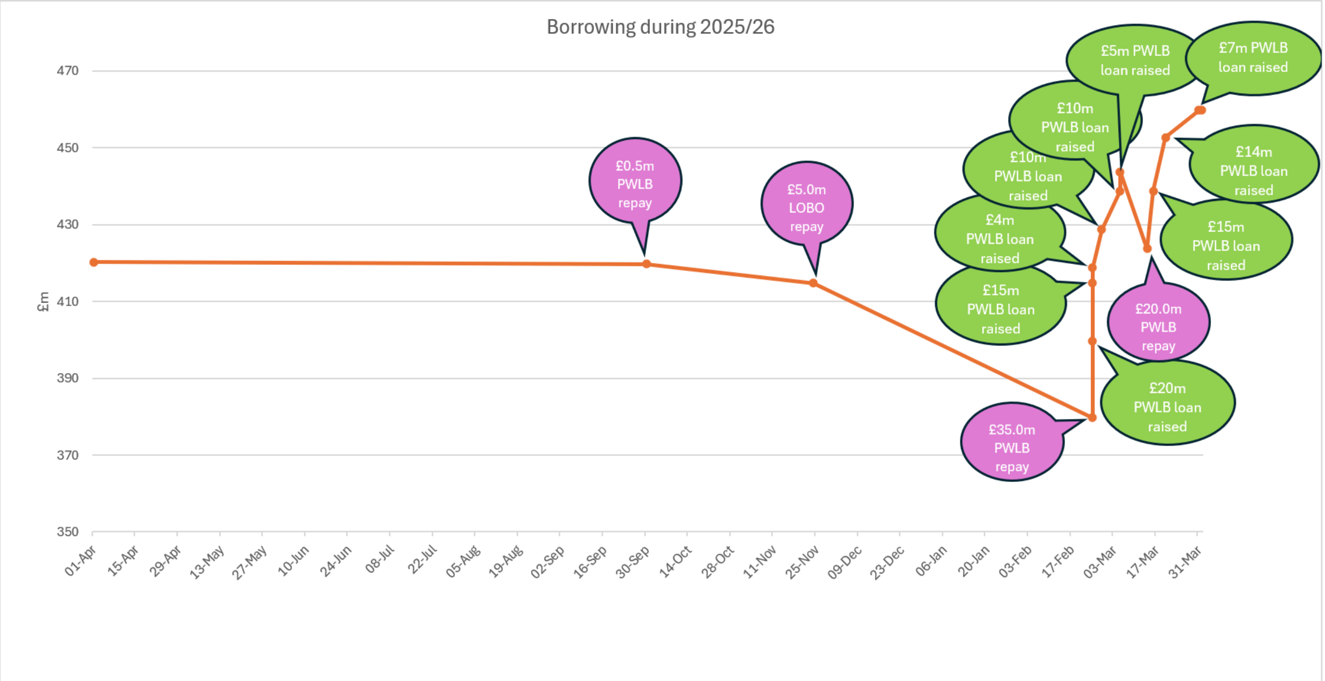
The revenue costs of borrowing for Exceptional Financial Support are £4.964m per annum.

General Fund

Lender	Principal	Date	Type	Interest Rate	Maturity
PWLB	£20m	24/02/26	Fixed interest rate	4.41%	36 months
PWLB	£15m	24/02/26	Fixed interest rate	4.36%	30 months
PWLB	**£4m***	24/02/26	Fixed interest rate	4.51%	48 months
PWLB	**£10m***	27/02/26	Fixed interest rate	4.32%	24 months
PWLB	**£10m***	05/03/26	Fixed interest rate	4.67%	64 months
PWLB	**£5m***	05/03/26	Fixed interest rate	4.67%	66 months
PWLB	**£15m***	16/03/26	Fixed interest rate	4.83%	18 months
PWLB	**£14m***	20/03/26	Fixed interest rate	4.76%	18 months

PWLB	**£7m***	31/03/26	Fixed interest rate	5.09%	24 months

* Highlighted cells represent loans raised for Exceptional Financial Support purposes

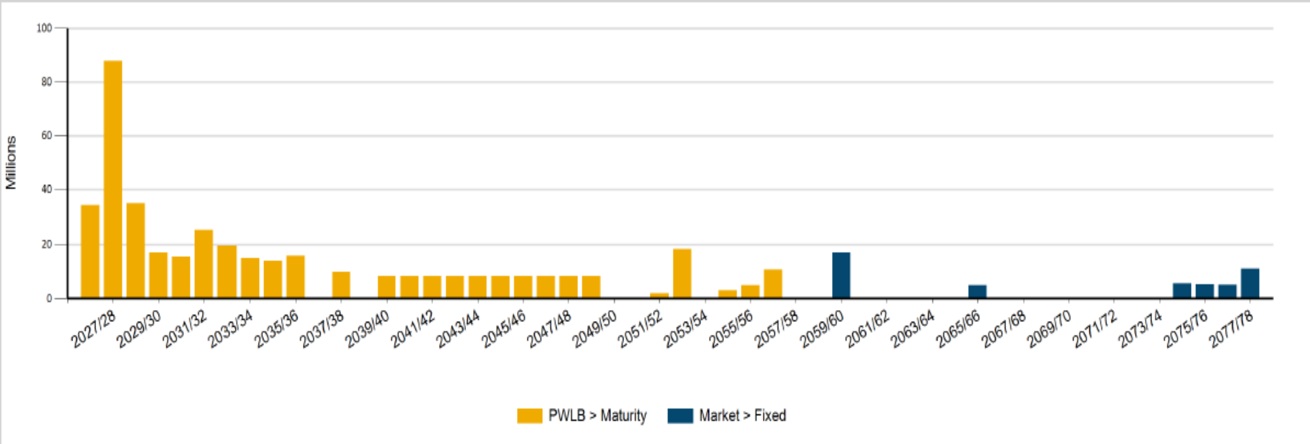


The Authority has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

The maturity profile of the debt is evenly spread to avoid large repayments in any one financial year. As highlighted above, there has been a tendency over the last 12 months to secure short term borrowing as interest rates are relatively high, so that the Council can take advantage of reductions in interest rates in the next 2-5 years. The total debt portfolio has a maturity range from 1 year to 52 years.

The Treasury Strategy allows up to 25% of the total outstanding debt to mature in any one year. It is prudent to have the Council's debt maturing over many years so as to minimise the risk of having to refinance when interest rates may be high. The actual debt maturity profile is within these limits

Debt Summary for Shropshire Council



Debt Rescheduling

No rescheduling was done during the year as the approximate 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

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APPENDIX B - INVESTMENT STRATEGY AND OUTTURN 2025/26

Investment Strategy 2025/26

When the Treasury Strategy was approved in March 2025, our treasury advisor had predicted that the Bank rate would decrease during 2025/26 as the inflation rate reduced in the economy. The below forecast table was included in the Treasury Strategy report 2025/26.

UK Interest Rate Forecast

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

In 2025/26 investment of surplus cash continued to be managed by the finance team. The investment priorities are the security of capital and the liquidity of its investments. The Council also aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. Investments are made in line with the Council's policy on creditworthiness which was approved in the Annual Investment Strategy.

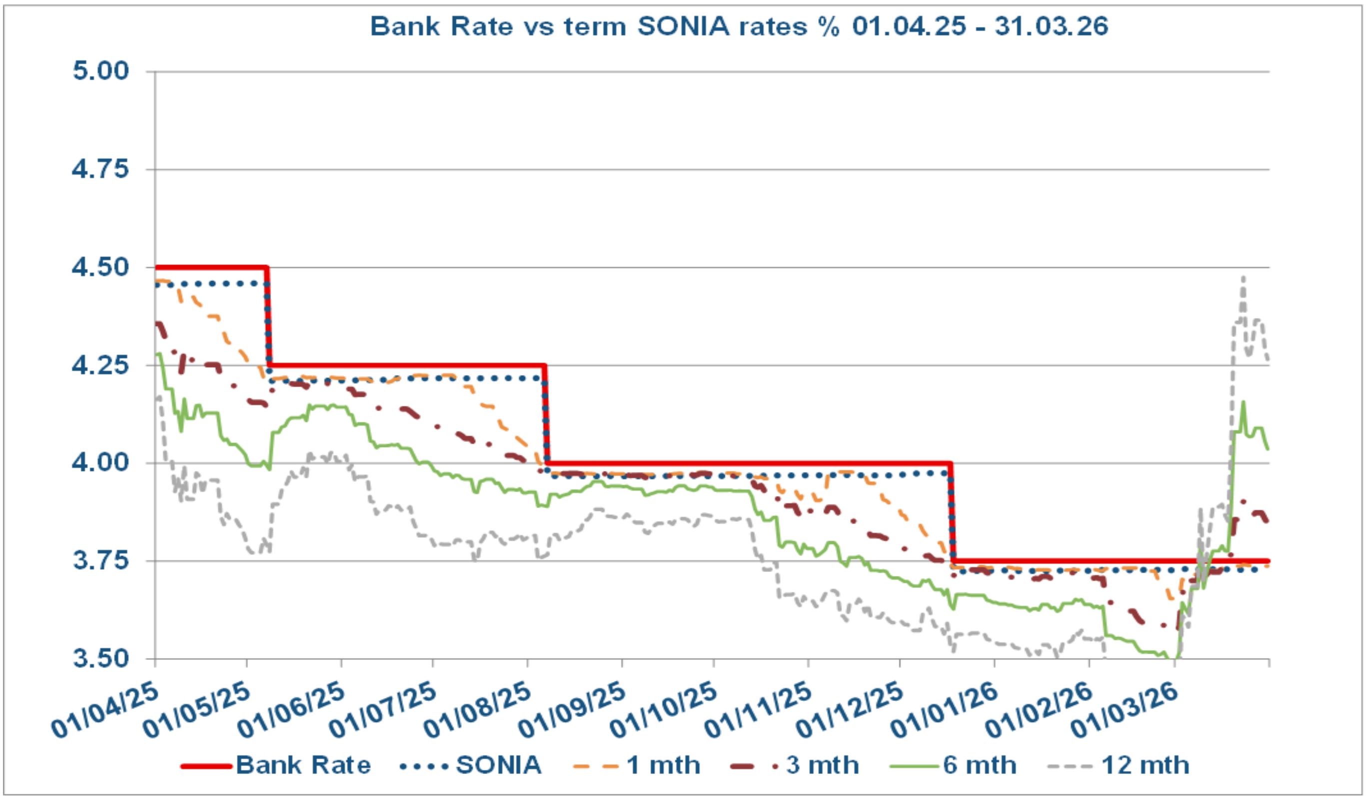
Investment Outturn 2025/26

Investment returns remained robust throughout 2025/26 despite Bank Rate reducing steadily through the course of the financial year (three 0.25% rate cuts in total), and at the end of March the yield curve had turned positive, reflecting inflation concerns emanating from the on-going conflict in the Middle East.

Bank Rate reductions of 0.25% occurred in May, August and December, bringing the headline rate down from 4.50% to 3.75%. Two of the Bank Rate cuts occurred in the same month as the Bank of England publishes its Quarterly Monetary Policy Report, therein providing a clarity over the timing of potential future rate cuts.

As of early April 2026, market sentiment has been heavily influenced by the Middle East conflict. Commentators anticipate a growing risk of inflation, meaning interest rates will not be cut for some time, and may increase to counteract inflationary pressures arising from steepening energy costs. Growth will also be impacted in many regions of the world. UK GDP is projected by the Office for Budget Responsibility (3 March 2026) to be 1.1% in 2026 before picking up to 1.6% in 2027 and 2028. But the likelihood is that there is downside risk to this forecast given events in the Middle East through March and still on-going.

Movements in short term rates through the year are shown in the graph below.



At 31 March 2026 the allocation of the cash portfolio was as follows:

Maturity Date	£m
Under 1 month	54.5
1-3 months	0
3-6 months	0
6-9 months	0
9-12 months	0
TOTAL	**54.2**

The average return on cash investments for the internal treasury team during the year was a return of 4.05%. Recognising the need to manage short term cash flow requirements, the target for the internal team is the Overnight SONIA rate (4.19%). Therefore, the internal finance team are marginally short of the benchmark by 0.14%, which reflects the fact that during the year, the team were holding extremely short-term cash balances.

APPENDIX C – PRUDENTIAL INDICATORS 2025/26

The Prudential Code requires the Council to set Prudential Indicators in the Treasury Strategy and report performance against those indicators in the Annual Treasury Report.

As can be seen from the table below, all of the actual indicators are below the targeted level that was set out in the Treasury Strategy for 2025/26. Some variations may appear in subcategories such as in Prudential Indicator 1. This refers to the capital expenditure anticipated during the year, and as can be seen from the indicator, HRA capital expenditure has exceeded the original target which is due to additional funding becoming available during the year. Non-HRA expenditure is lower than the revised indicator and so total capital expenditure still lies within the targeted level. The increase in the movement in the CFR relates to the inclusion of Exceptional Financial Support within the CFR for 2025/26.

Prudential Indicators	2025/26 Revised Indicator	2025/26 Actual
1. Capital Expenditure		
Non-HRA	£120.5m	£47.2m
HRA (applies only to housing authorities)	£18.2m	£21.5m
TOTAL	**£138.8m**	**£68.7m**
Financing of capital expenditure		
Capital receipts	(£12.7m)	(£6.7m)
Capital grants	(£84.1m)	(£38.5m)
Other contributions	(£9.2m)	(£1.2m)
Major Repairs Allowance	(£5.6m)	(£6.7m)
Revenue	(£0.9m)	(£0.9m)
Net financing need for the year	**£26.3m**	**£14.7m**
2. Net Borrowing & Capital Financing Requirement (CFR)		
Non – HRA	£462m	£411m
HRA	£123m	£106m
TOTAL CFR	**£585m**	**£517m**
Movement in CFR	**£19m**	**£70m**
Gross Borrowing (including HRA)	£527m	£460m
Investments	£75m	£54m
Net Borrowing	**£452m**	**£406m**
3. Authorised Limit for External Debt		
Borrowing	£657m	£460m
Other long-term liabilities (PFI)	£91m	£111m
TOTAL	**£748m**	**£531m**
4. External Debt – Operational Boundary		
Borrowing	£569m	£460m
Other long-term liabilities (PFI)	£91m	£111m
TOTAL	**£660m**	**£531m**

5.	**Borrowing Limits**	**Lower Limit**	**Upper Limit**	
	Fixed Interest Rate Exposure	£374m	£748m	£460m
	Variable Interest Rate Exposure	£0m	£374m	£0m
6.	**Investment Limits**	**Lower Limit**	**Upper Limit**	
	Fixed Interest Rate Exposure	£0m	£250m	£54m
	Variable Interest Exposure	£0m	£250m	0
7.	**Maturity Structure of Fixed/Variable Rate Borrowing During 2023/24**	**Lower Limit**	**Upper Limit**	
	Under 12 mths	0%	25%	13%
	12 mths & within 24 mths	0%	25%	17%
	24 mths & within 5 years	0%	50%	15%
	5 years & within 10 years	0%	75%	20%
	10 years & within 20 years	0%	100%	13%
	20 years & within 30 years	0%	100%	16%
	30 years & within 40 years	0%	100%	3%
	40 years & within 50 years	0%	100%	1%
	50 years and above	0%	100%	2%
8.	**Investment Limits**			
	Upper Limits for Total Principal Sums Invested for over 365 days:			
	Externally managed	£50m		£0m
	Internally Managed	£70m		£0m

Committee

Cabinet 8 July 20226
Council 16 July 2026

Public

LGA Corporate Peer Challenge: Progress Review

Cabinet Member:	Councillor Heather Kidd – Leader
Lead Director:	Paul Clarke – Service Director (Strategy & Change)
Service Area:	Strategy and Change
Report Author	Paul Clarke – Service Director (Strategy & Change)
Officer contact details	paul.clarke@shropshire.gov.uk
Electoral Divisions Affected	All
Key Decision?	Non Key
Cabinet Forward Plan	N/A
Report considered by	N/A

1. Purpose of Report

1.1 To share the findings of a recent Local Government Association (LGA) Corporate Peer Challenge Progress Review which was undertaken on 12th May 2026. The Progress Review report is included at **Appendix 1** and provides a summary the Peer Team's feedback to the Council.

2. Recommendations

Cabinet/Full Council is asked to

2.1. Note the report of the LGA Corporate Peer Challenge Progress Review undertaken on 12th May 2026.

2.2. Note that the CPC recommendations, along with subsequent feedback from the Progress Review, will continue to inform the Council's plans for improvement and financial sustainability

3. Background

The Progress Review – summary of approach

3.1. In July 2025 the Local Government Association (LGA) carried out a Corporate Peer Challenge (CPC). CPCs are part of the LGA's sector-led improvement offer to councils and involves a team of 'peers' (experienced officers and elected members from other councils) spending time onsite to review leadership, governance, performance, and capacity to improve. They provide constructive, evidence-based feedback and practical recommendations to help councils strengthen improve.

3.2 Part of the CPC approach is a requirement for the recipient council to receive a 'Progress Review' visit approximately ten months after the CPC. The 'Progress Review' is undertaken by members of the original peer team and focusses on reviewing progress against the recommendations made previously. The CPC made 10 recommendations to Shropshire Council, and these were included in the peer team report presented to Full Council on 25th September 2025. An action plan summarising the Council's response to those recommendations was agreed by Cabinet on 15th October 2025 and subsequently subsumed into the Improvement Plan agreed by Cabinet and Council in December 2025.

3.3 The report at **Appendix 1** summarises the peer team's feedback against each of the ten CPC recommendations (from July 2025). The peer team was formed of the following officers and elected members:

- Duncan Sharkey – Chief Executive, Somerset Council
- Cllr Amanda Hopgood – Leader of the Liberal Democrat Group, Durham County Council. Liberal Democrat member peer
- Cllr Jason Cummings - Cabinet Member for Finance, Croydon Council. Conservative member peer
- Perry Holmes - Director of Legal & Governance (Monitoring Officer), Wiltshire Council
- Kathryn Rees - Executive Director - Corporate and Support Services, Stockport MBC
- Simon Riley – Chief Operating Officer & S151 Officer, Cheshire West & Chester Council
- Victoria Lawrence – Director of Adults and Health, North Lincolnshire Council
- James Millington – Peer Challenge Manager, LGA

3.4 To inform the Progress Review, the Council provided the peer team with:

- a RAG (Red/Amber/Green) rated version of the council's action plan setting out what progress had been made against original CPC recommendations

- a peer briefing that described key actions and activity the council had taken, beyond the response to recommendations, providing further context and examples of progress, improvement and developments
- a range of evidence and information including documents such as the Improvement Plan, People Plan, Financial Plan and Corporate Plan.

3.5 The peer-team carried out a number of pre-visit calls with officers of the council and key partners and others before the on-site visit on 12th May. The peer team met with a wide range of people to inform their work including:

- Members: Cabinet, opposition group leaders, the Chair of the Audit and Governance Committee, the Chairs of the Overview and Scrutiny Committees, and non-executive members from across all parties
- Officers: The Chief executive, members of the Council's Leadership Board, and a range of managers and staff from across all areas of the council.
- External partners and stakeholders: including the Council's external auditor and chair of the Improvement Board

4 Summary of Main Proposals

4.1 Overall, the 'Progress Review' found the Council has made significant progress since the July 2025 CPC. The report confirms there has been clear evidence of renewed energy, pace and commitment from both political and officer leadership to address the issues identified in the original CPC. The peer team found that the Council is now demonstrating a much stronger grip on its financial position, with clear progress in financial management and governance arrangements. Peers observed a council that is stabilising and building confidence, and saw encouraging signs of improvements in culture, engagement and leadership visibility, noting that the organisational 'feel' was more positive and collaborative than during their previous visit.

4.2 The report also stresses that there is significant work required to translate this early progress into sustained delivery. It acknowledged that the Council remains at a relatively early stage in its improvement journey which will be a sustained and challenging one. There is a need to ensure that transformation programmes are developed and implemented at pace, that financial sustainability is clearly mapped and achieved over time, and that organisational capacity is aligned to deliver lasting change.

5 Key risks and Opportunities

5.1 The main risks associated with the proposals are:

Risk	Mitigation
Not responding to the feedback provided by the LGA peer team	The areas for improvement cited in the report are things the council is already aware of and addressing Ongoing scrutiny by the externally chaired Improvement Board

6 Council Priorities

6.1 This report directly replates to our Corporate Plan Priority Ambition - *A Council that is financially sustainable, with clear priorities and purpose, and a workforce that is supported to excel*. This priority ambition is the aim of the Improvement Plan that was written in response to recommendations arising from the Corporate Peer Challenge that took place in July 2025

7 Financial Implications

7.1 There are no direct financial implications arising from this report.

8 Legal and HR implications

8.1 No legal or HR implications are anticipated to arise from this report.

9 Electoral Division Implications

9.1 This proposals in this report do not impact on specific electoral divisions.

10 Health, Social (including "Child Friendly Shropshire") and Economic Implications

10.1 There are no implications arising from this report.

11 Equality and Diversity Implications

11.1 There are no equality and diversity implications associated with this report

12 Climate Change, Biodiversity and Environmental Implications

12.1 There are no environmental implications associated with this report.

13 Background Papers

13.1 LGA Corporate Peer Challenge Report – July 2025
13.2 LGA Corporate Peer Challenge Action Plan – October 2025
13.3 Improvement Plan

14 Appendices

Appendix 1 - LGA Corporate Peer Challenge – Progress Review Report

LGA Corporate Peer Challenge – Progress Review

Shropshire Council

12th May 2026

Feedback

Contents

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Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

1. Introduction

The council undertook a LGA Corporate Peer Challenge (CPC) in July 2025 and promptly published the full report with an action plan.

The Progress Review is an integral part of the Corporate Peer Challenge process. Taking place approximately ten months after the CPC, it is designed to provide space for the council's senior leadership to:

- Receive feedback from peers on the early progress made by the council against the CPC recommendations and the council's RAG rated CPC Action Plan.
- Consider peers' reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs
- Discuss any early impact or learning from the progress made to date

The LGA would like to thank Shropshire Council for their commitment to sector led improvement. This Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

2. Summary of the approach

The Progress Review at Shropshire Council took place (onsite) on 12th May. Prior to the Progress Review the team also met with colleagues virtually as part of the preparatory work.

The Progress Review focussed on each of the recommendations from the Corporate Peer Challenge.

For this Progress Review, the following members of the original CPC team were involved:

- Duncan Sharkey – Chief Executive, Somerset Council
- Cllr Amanda Hopgood – Leader of the Liberal Democrat Group, Durham County Council. Liberal Democrat member peer
- Cllr Jason Cummings - Cabinet Member for Finance, Croydon Council. Conservative member peer

- Perry Holmes - Director of Legal & Governance (Monitoring Officer), Wiltshire Council
- Kathryn Rees - Executive Director - Corporate and Support Services, Stockport MBC
- Simon Riley – Chief Operating Officer & S151 Officer, Cheshire West and Chester Council
- Victoria Lawrence – Director of Adults and Health, North Lincolnshire Council
- James Millington – Peer Challenge Manager, LGA

3. Progress Review - Feedback

Out of the CPC's 10 recommendations, the council's RAG rated Action plan reports that 40 per cent of actions are completed and 60 per cent have been progressed.

Overall the Progress Review found that Shropshire Council has made significant strides since the July 2025 CPC, which identified serious challenges in relation to finance, governance and organisational culture. There has been clear evidence of renewed energy, pace and commitment from both political and officer leadership to address these issues. Securing exceptional financial support (EFS) has stabilised the council's immediate financial position and provided critical short-term headroom. At the same time, the council has identified and embraced a comprehensive package of external support, reinforcing its commitment to its improvement journey and helping to establish the necessary foundations for longer-term recovery.

The peer team found that the council is now demonstrating a much stronger grip on its financial position, with clear progress in financial management and governance arrangements. The prioritisation of CPC recommendations has led to tangible improvements across a range of areas, supported by strong cross-party leadership and key senior officer appointments. There is a clear sense that the council is stabilising and building confidence, with early momentum evident. However, the focus now needs to shift towards developing greater clarity and detail within the medium-term financial plan, including specifying the pathway to financial sustainability over the coming years and reducing reliance on EFS. This journey is

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likely to take a number of years and stretch beyond the medium term of 4-5 years.

Across the council, there are encouraging signs of improvements in culture, engagement and leadership visibility. Relationships between Members, officers and staff have strengthened, and the organisational 'feel' is notably more positive and collaborative. There is a stronger sense of shared purpose, which provides a solid platform for further transformation.

The peer team concluded that the council's trajectory is positive, with good early progress and a clear commitment to improvement. This remains at an early stage in what will be a sustained and challenging journey and the next phase will be critical in moving from planning to delivery - ensuring that transformation programmes are implemented at pace, that financial sustainability is clearly mapped and achieved over time, and that organisational capacity is aligned to deliver lasting change. To date, there is not yet a single costed multi–year plan that brings all these themes together. This is expected to be further defined, developed and quantified over the summer and needs to create the roadmap that is owned and adhered to. Such a plan needs to guard against optimism bias and be based on robust insight, governance and accountability frameworks, and realistic expectations on capacity and capability to deliver. Sustained focus, clear leadership and continued strengthening of both internal and external narratives will be essential to maintaining momentum and building confidence among stakeholders and partners.

Overall, this represents a strong and encouraging start from a challenging baseline, with clear evidence of improved grip, governance and organisational confidence. Early progress and positive momentum are evident. However, this remains at an early stage, and significant work is still required to translate this progress into sustained delivery.

Below is the detailed feedback from the peer team for each of the recommendations:

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3.1. Urgently prepare a multi-year plan (MTFS) demonstrating and detailing the council's route to financial and operational stability. Ensure this is realistic, widely understood and shared.

The peer team could clearly see that Shropshire Council (SC) has moved at pace to respond to this recommendation, with the development of a high level medium-term financial plan (MTFP) for 2026/27 to 2030/31. The structured, transparent and inclusive approach taken - through Cabinet reporting, cross-party Budget Forums, scrutiny engagement and public consultation - demonstrates a strong and mature approach to financial planning. The MTFP appropriately reflects the context of the financial emergency declared in September 2025 and establishes a credible 'reset' position, supported by exceptional financial support (EFS) and council tax increases, which has created important financial headroom. This has provided the council with the necessary space to begin developing a clearer set of financial and transformation roadmaps towards longer-term sustainability.

However, the peer team heard consistently that while there is now a growing organisational understanding of the scale of the financial challenge, the next stage requires greater clarity and specificity. The financial sustainability strategy and transformation programme are important milestones, but these need to be underpinned by clearer articulation of the figures - setting out, even at a high level initially, the scale and phasing of savings required, and how SC will move from its current position to financial sustainability. There is a recognised need to move from broad direction to quantified plans, supported by a clear timetable. This is particularly important given the relatively short window available to the council, and the need to provide confidence to external stakeholders, including Ministry of Housing Communities and Local Government (MHCLG) and the council's external auditors, that there is a credible and deliverable pathway in place.

The peer team also emphasises that the delivery of transformation at the scale required may take longer than initially anticipated, and therefore early clarity on

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timelines and sequencing will be essential. SC is beginning to rebuild capacity and now has an opportunity to invest in the skills, capability and enabling functions required to deliver transformation at pace. This extends beyond a central programme management office (PMO) function and includes ensuring that services themselves are equipped to lead and implement change. This may require bringing in additional and external transformation capacity. At the same time, it will be critical that SC maintains a strong and consistent focus on the delivery of core services and continues to focus on 'getting the basics right', ensuring that performance, governance and compliance standards are sustained while transformation is progressed.

The council can also now strengthen its financial narrative - clearly setting out how financial recovery, transformation and service delivery fit together as a coherent whole. This should include articulating the risks being managed, not solely financial but also operational and reputational, particularly in relation to maintaining service quality and organisational stability. The peer team noted from leadership that the recent Fair Funding announcement does not adequately address the rurality and demographic characteristics of Shropshire. The peer team underline the importance of Shropshire Council continuing to focus on what is within its local control in moving towards financial sustainability, while also maintaining an evidence-based case with others to Government for funding arrangements that better account for local context. By doing so, SC can retain control of its narrative, avoid external expectations being imposed upon it, and provide reassurance to Government, auditors, partners and residents that it has a clear, realistic and deliverable route to financial sustainability while continuing to deliver essential services.

3.2. Immediately assess and negotiate your EFS requirements for 25/26 and for the period of the MTFS before a s114 notice becomes a necessity.

This recommendation has clearly been progressed, with a robust exceptional

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financial support (EFS) application developed for MHCLG in December 2025, covering both 2025/26 and 2026/27. The figures are of significant scale - with EFS of £71.4m (2025/26) and £121.4m (2026/27) and council tax of 8.99% agreed for this year. This was underpinned by high level financial analysis and modelling and aligned to the council's MTFP and emerging transformation activity. Confirmation of EFS in February 2026 enabled SC to set a balanced budget and provides important short-term stability, alongside the immediate implementation of spending controls following the declaration of a financial emergency.

The peer team now emphasise that the council needs to take a more strategic, multi-year approach to EFS, recognising that reliance on this support must reduce over time if financial sustainability is to be achieved. While it is understood that forecasting EFS requirements is inherently challenging, particularly in a fluid financial environment, it will be important for the council to set out a clearer trajectory across the life of the MTFP. This should include articulating how transformation activity will reduce reliance on EFS year by year, with the expectation that this requirement reduces to zero over the medium term. A five-year position which shows continued or increasing reliance on EFS is not sustainable, and the council should integrate the quantified transformation benefits into future iterations of its plans as they are developed.

The peer team consider that as plans continue to evolve, SC has an opportunity to strengthen how it manages the narrative around EFS. This includes setting out a clear and locally owned approach ensuring that its strategy balances financial sustainability with the continued delivery of core services and statutory responsibilities. This will also support ongoing engagement with MHCLG and auditors, helping to maintain their confidence in the council's direction of travel. This is important given the journey to financial sustainability is likely to stretch beyond the next MTFP period.

There is an opportunity to improve internal awareness and understanding of the EFS position. While recognising that the application itself is not a public document, there would be value in ensuring that key stakeholders, including opposition group leaders and officers, are appropriately briefed on its content and implications. This would support greater shared ownership of SC's financial position and strengthen collective understanding of the scale of the challenge ahead.

The council has made strong initial progress against this recommendation, and the next phase will be to embed this within a clear, multi-year strategy that demonstrates a credible path away from reliance on EFS.

3.3. Quickly implement an externally supported, independently led Improvement Board with CIPFA, a governance expert and LGA peers, preferably with support from MHCLG, to advise, assist and drive urgent changes.

Supported by the LGA the council has acted quickly to establish a voluntary, independently chaired improvement board in response to this recommendation. The board is clearly adding value, particularly in supporting the development and oversight of the improvement plan and the council's overall trajectory towards financial sustainability. The peer team also recognises the recent six-month review undertaken by the chair of the improvement board, the findings of which align with a number of the observations made during this progress review, provide a helpful basis for the next phase of its development.

Feedback from Members, officers and partners suggests that, while the board is well regarded and brings a breadth of experience, there is currently a gap in deep, technical expertise required to support the scale and pace of transformation that the council now needs to deliver. Given the complexity of the challenge, and as the board moves into a second phase after the initial 6 months, SC should consider evolving the board arrangements to include a new Leaders' Board through a

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deliberate move to drive urgency and accountability. The governance should support the council over the following period and continue to provide robust, independent challenge. This dual structure will ensure the council benefits from both political leadership and independent, expert challenge. This strengthening would enable access to specialist knowledge, provide further challenge and support to senior officers, and ensure that transformation plans are not only well designed but are deliverable at pace. This will be particularly important given the volume and complexity of change required over the coming years.

The peer team heard feedback that awareness and understanding of the improvement board across the council is variable. Some staff are unclear about its purpose, status and role, including perceptions about decision-making responsibilities and the handling of reports. While these perceptions may not reflect the formal position, they highlight the need for clearer and more consistent communication. SC may wish to consider how it strengthens its communication approach, including providing regular, proportionate updates to Members and officers to give visibility of the board's discussions and focus areas. This will help to build understanding, improve transparency and reinforce the role of the improvement board as a key component of the council's improvement arrangements.

3.4. 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.

The council has made clear and tangible progress in developing a more structured, whole-council approach to transformation which is being driven through the improvement plan. The commitment to develop a refreshed and fully costed transformation programme, as part of a wider financial sustainability strategy, is a positive step and reflects growing organisational maturity in linking financial planning with service transformation. Early activity demonstrates a more forward-looking and coordinated approach to identifying priorities and aligning resources, supported by

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clearer governance arrangements such as the budget, transformation and change review panel.

This work remains at a relatively early stage of development and now needs to move at pace into delivery. While the framework, governance and overall direction are increasingly well established, there is a need to translate this into a more detailed and deliverable programme, supported by clear phasing, milestones and measurable outcomes. In particular, SC should ensure that transformation plans are sufficiently detailed and quantified to demonstrate how they will deliver the scale of change required, including the financial benefits and service impacts. This will be critical in strengthening confidence - both internally and externally - that the transformation programme can deliver the outcomes set out within the MTFP.

The peer team emphasises the scale and the complexity of transformation required and the importance of ensuring that the council has the capacity and capability to deliver this. While there is evidence that SC is beginning to rebuild capacity, there is now an opportunity to accelerate this by bringing in the right skills and expertise - both within central programme functions and across service areas. Transformation at this scale cannot be delivered solely through a PMO and it requires enabling functions, leadership capacity and service-level ownership to be in place. Ensuring this capacity is aligned and deployed effectively will be essential to maintaining pace and momentum. It is likely that the council will need to consider additional external capacity to support the development and delivery of its transformation at the pace and scale it requires.

Importantly, SC will need to maintain a strong focus on delivering core services and continuing to work on 'getting the basics right' alongside its transformation ambitions. The peer team heard that this balance is well understood, but it will require ongoing attention to ensure that service performance, compliance and governance are not compromised during a period of significant change. There is also an opportunity to continue strengthening the narrative around transformation - clearly articulating how it supports both financial sustainability and service outcomes, and ensuring that this is widely understood across the organisation and by key stakeholders.

SC has made a strong start in responding to this recommendation and has established the key building blocks of a whole-council transformation approach. The next phase will be critical with moving from design into delivery, with greater clarity, pace and capacity, to ensure that transformation is realised at the scale and impact required.

3.5. Consider how to urgently reinvigorate your cultural connections and relationships across the workforce – the organisation has become fractured, and the current context has blunted the value of initiatives such as 'Getting It Right'.

The council feels like a very different organisation to the one visited by the peer team in July 2025. There is a stronger sense of purpose and a clearer commitment to supporting and valuing staff, which is helping to rebuild organisational confidence and cohesion. The development and implementation of the people plan has been particularly well received, with staff and managers consistently reporting that it is moving the organisation in the right direction. This represents an important foundation for wider improvement and transformation.

There has also been a noticeable improvement in the visibility and accessibility of both managerial and political leadership, with stronger connections evident across the council. The range of engagement mechanisms now in place is having a positive impact, with staff reporting that they feel better informed and more connected to organisational priorities. In particular, initiatives such as budget forums and engagement sessions have helped staff to better understand the financial context and the challenges ahead. The peer team heard consistently that these changes are helping to bring people together and foster a more collective understanding of the council's direction.

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The peer team were particularly impressed with the role of the manager framework, which has the potential to drive consistent leadership behaviours and support improved performance across SC. While this is still relatively new, there is clear opportunity for it to be more widely socialised and embedded to maximise its impact. More broadly, the council appears to be doing the right things to strengthen relationships and build a more unified culture, particularly at senior and middle management levels where there is growing evidence of a ‘one team’ ethos emerging. This represents a marked shift from the previous feedback from the corporate peer challenge, where the council was described in more fragmented terms.

The peer team heard positive feedback about practical initiatives that are helping to bring people together, both formally and informally, including the use of physical spaces such as the council café to encourage interaction and connection. While recognising that rebuilding connections across the whole workforce, particularly to frontline staff, will take time, the peer team considers SC is on the right trajectory. Encouragingly, the language used by staff has shifted, with less reference to a ‘tale of two cities’ and more evidence of a shared identity beginning to emerge. There are strong indications that SC’s approach to cultural renewal is gaining traction, and continued focus on embedding and sustaining this progress will be key to long-term success.

3.6. Coproduce a new council plan that recognises the financial constraints the council is under and delivers the manifesto commitments. Ensure this is realistic, widely understood, socialised and owned.

The council has made strong progress in the co-production of a new corporate plan for 2026–2030, which reflects the significant financial constraints it faces while setting out a clearer set of priorities. The plan has a robust evidence base and is aligned with the MTFP and improvement plan. The extensive engagement undertaken with Members, staff, partners and residents is a particular strength.

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Chair: Councillor Louise Gittins **Chief Executive (Interim):** Jenny Rowlands **President:** Baroness Grey-Thompson

The peer team encourage SC to ensure that the corporate plan is firmly future-focused and not overly anchored in the council's current or historic position. Given the scale of the financial challenge, the council will need to operate differently in the medium term, and the plan should clearly articulate what it wants to deliver in four to five years' time. This includes being explicit about priorities and where investment will be made. The peer team emphasise that investment decisions should be evidence-based, aligned to clear outcomes and demonstrable return, including identifying opportunities where targeted investment could resolve issues at source and deliver longer-term benefits.

The peer team heard a consistent message about the importance of maintaining focus on 'getting the basics right'. While these areas may not always appear transformational in themselves, they are often critical enablers of improvement and can undermine confidence if not addressed. The council is right to prioritise this and should continue to do so, ensuring that improvements to core services and infrastructure are delivered within the context of its financial constraints and alongside its wider transformation ambitions. This balance between stabilisation and transformation will be essential to maintaining organisational credibility and public confidence.

The peer team discussed the council's approach to assets and recognise that asset rationalisation and disposal will form an important part of the financial strategy. This work is ongoing, but there is a need to further develop the pace and scale of this approach, including being realistic about the level of receipts that can be generated, recognising its historical buildings, and ensuring that the cost of delivering is proportionate to the likely financial return.

The council should continue to strengthen its capacity in key enabling functions such as commissioning and procurement. While recruitment challenges have been identified in these areas, these roles will be critical not only for maintaining service delivery but also for enabling SC to successfully deliver its transformation programme

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and achieve long-term financial sustainability.

3.7. Improve the visibility of managerial and political leaders to help colleagues make the organisation legible for colleagues at a time of great change.

The peer team recognises that the council has made clear and sustained progress in improving the visibility and accessibility of both managerial and political leadership, which is now having a positive impact across the organisation. Feedback from staff, Members and partners consistently highlighted that people feel much more connected to the organisation than at the time of the original CPC. This reflects a more open and engaged leadership culture, with communications described as honest, transparent and increasingly trusted. These are important enablers in supporting the organisation through a period of significant change.

The introduction of more structured engagement mechanisms has been particularly effective in strengthening relationships and improving organisational coherence. The fortnightly senior leadership forum was frequently referenced as a positive and valued space for listening, engagement and shared understanding, helping to cascade key messages and foster a more collective leadership culture. The peer team heard that relationships across the council have improved significantly, with growing evidence of stronger collaboration between services and a clearer sense of organisational direction.

The peer team also heard very positive feedback regarding the visibility and approachability of political leadership. Initiatives such as ward walks and 'coffee and chat' sessions were highlighted as being especially well received, providing meaningful opportunities for direct engagement with staff and communities. These approaches are helping to build trust and create a stronger connection between decision-makers and the wider council.

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These developments represent a marked shift from the position observed previously, with a more open, visible and connected leadership approach now evident. While it will be important to sustain and continue building on this progress, the peer team is encouraged by the consistency of feedback and the tangible improvements in how leadership is experienced across SC.

3.8. Improve the status of and make efforts to drive good governance; consider implementing a 'statutory officers' board' or similar mechanism to include the head of paid service, monitoring officer and s151 officer which would consider pressing issues, co-ordinate responses and drive implementation of, for example, internal audit recommendations.

The council has made strong and tangible progress in strengthening its corporate governance arrangements, with the establishment of the statutory officers' board representing a particularly positive development. This group appears to be operating effectively and is adding real value, providing a clear mechanism for collective oversight of governance issues and driving improved coordination across the council.

The peer team noted that clearer expectations from the senior leadership cohort about how the organisation should operate are beginning to have a measurable impact, with a stronger emphasis on compliance, accountability and consistent ways of working. There is clear evidence that this increased focus is translating into improved organisational performance in key areas. For example, the peer team heard that compliance with freedom of information requirements and financial returns has improved significantly, with more timely submissions and greater consistency across services. This reflects a cultural shift where leadership focus, clear expectations and active monitoring are reinforcing behaviours and driving improvement. The peer team considers this to be a strong example of how visible leadership attention and prioritisation of 'the basics' can deliver tangible results and build organisational discipline.

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The council can build on these strong foundations by extending this disciplined approach beyond financial management into wider performance and project management. While progress has been made, the peer team heard about some examples where project management arrangements were not sufficiently robust to deliver the outcomes required. The council will want to consider the level of project management capability across the organisation and assess whether there is sufficient capacity and skill to consistently deliver, and also provide the appropriate level of oversight and monitoring to provide assurance.

The peer team also heard positive feedback regarding the cohesion and effectiveness of the cabinet, with Members working increasingly as a collective team. The recent rebalancing of cabinet portfolios appears to have been well received and is supporting clearer accountability and leadership.

These developments point to a strengthening governance environment, with improved leadership clarity, stronger organisational grip and better alignment between political and officer leadership. SC has clearly put the key building blocks in place, and the next phase will be to sustain and deepen this progress, ensuring that governance, performance and delivery arrangements continue to mature in line with the scale of the challenges ahead.

3.9. Budget monitoring needs to be focussed on actual spend and projections with clear understanding of one off and recurring expenditure with appropriate intervention and action.

The council has made strong progress in strengthening its budget monitoring arrangements, with a clear shift towards greater focus on actual spend, forecasting accuracy and timely intervention. The enhanced monthly monitoring processes, increased transparency through reporting to cabinet and scrutiny, and improved timeliness of returns demonstrate a more disciplined approach to financial management. The significant increase in compliance rates for budget monitoring

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returns is particularly positive and reflects a strengthened organisational focus on accountability and financial grip.

However, the peer team heard that while these improvements are evident, there remains some inconsistency in how effectively these processes are embedded across the council. Good practice is emerging and delivering results, but this is not yet uniform in all service areas. The council should therefore continue to focus on ensuring that established processes, standards and expectations are consistently applied across all directorates, so that the benefits of improved budget monitoring are realised council-wide. Embedding this consistency will be critical to strengthening overall financial control and ensuring a reliable and accurate picture of the council's financial position.

The peer team heard that financial capability, particularly in relation to forecasting and understanding longer-term demand and cost drivers, is not yet consistently strong across the organisation. While SC has the foundations in place, there is a need to further develop the depth of expertise within the finance team to support more robust and confident financial planning. The intended benefits of the finance business partnering model do not yet appear to be fully realised in all areas, with some stakeholders reporting limited evidence of strategic financial support and challenge.

The peer team emphasises the importance of continuing to embed long-term financial discipline as there is a risk that without consistent behaviours and controls, financial gains could be eroded over time. SC should continue to reinforce expectations around financial management and ensure that spending decisions align with agreed plans and priorities.

Overall, SC has made a strong start and has put in place many of the key building blocks required for effective budget monitoring and financial control. The next phase

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will be to embed these consistently across the organisation, strengthen capability, and ensure that improved financial discipline is sustained and supports the delivery of longer-term financial sustainability.

3.10. Change your narrative, tell your story and clearly celebrate your success as one council.

SC has made positive and visible progress in reshaping its narrative and how it communicates its story, particularly given the scale of the challenges it is facing. There is now a clearer approach to communications, with a stronger emphasis on transparency and consistency. The development of an overarching narrative, linking the improvement plan, corporate plan and financial sustainability strategy, has helped reinforce a sense of ‘one council’ responding collectively to the challenges ahead. The peer team heard that this narrative is increasingly understood across the organisation and is helping to provide clarity of purpose during a period of significant change.

However, the peer team also emphasises the importance of maintaining confidence and belief in the council’s ability to deliver its ambitions. While the scale of the financial challenge is well understood, there were instances where uncertainty about deliverability was expressed. It will be critical for senior leaders to continue to provide clear, consistent and confident messaging about the council’s ability to meet this challenge. This does not require unrealistic optimism, but rather a clear articulation of how and when financial sustainability can be achieved. Establishing and communicating this confidence is important for maintaining organisational momentum.

The council has made progress in building a stronger sense of organisational identity and pride, with evidence that staff are increasingly positive about working for SC. In the latest pulse survey nearly three quarters (71%) of staff say they understand the council’s priorities and are happy to work for Shropshire. While this represents a

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clear improvement on the position observed previously, there remains an opportunity to continue strengthening this sense of pride so that staff feel confident acting as ambassadors for the organisation both internally and externally. SC has already taken steps to celebrate success and recognise staff contributions, and these efforts should continue to be expanded - particularly through initiatives that bring colleagues together, including frontline staff, and reinforce a shared sense of achievement and purpose.

The peer team encourages the council to maintain a strong forward-looking narrative, focusing on where it is going rather than where it has come from. While it is important to learn from past challenges, SC should continue to emphasise its future direction and the progress being made. Continue to celebrate success and recognise achievements, ensuring that positive progress is visible and understood across the council.

4. Final thoughts and next steps

The LGA would like to thank Shropshire Council for undertaking an LGA CPC Progress Review.

We appreciate that senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

Helen Murray (Principal Adviser) is the main point of contact between the authority and the Local Government Association (LGA) and their e-mail address is helen.murray@local.gov.uk.

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Committee and Date	Item
Audit and Governance Committee 25th June 2026	
Council 16th July 2026	Public

Audit and Governance Committee Annual Assurance Report to Council 2025/26

Responsible Officer:		Duncan Whitfield	
email:	duncan.whitfield@shropshire.gov.uk	Tel:	01743 254928
Cabinet Member (Portfolio Holder):		Heather Kidd, Leader of the Council Sharon Ritchie-Simmons, Chair of the Audit and Governance Committee Roger Evans, Portfolio Holder – Finance	

1. Synopsis

A key part of the Audit Committee's role is to report annually to Full Council on the Committee's findings, conclusions and recommendations. Audit Committee has some concerns and in the light of the Chief Audit Executive's opinion can only provide limited assurance.

2. Executive Summary

2.1 Attached to this report is the Audit and Governance Committee's Annual Assurance Report to Council for 2025/26. This provides Council with limited assurance that it has in place adequate and effective governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects and maintains consistently.

2.2 The Audit and Governance Committee recognises and is concerned about the limitations identified in the internal control framework as reported in the Chief Audit Executive's Opinion and the potential impact on value for money.

3. Recommendations

3.1 The Audit and Governance Committee is asked to consider and comment on the contents of the Draft Annual Assurance report for 2025/26 before forwarding to Council with the recommendation below.

Recommendation to Council

3.2 Council is asked to:

a) Endorse the Audit and Governance Committee's opinion that it has operated effectively in accordance with its terms of reference.

b) Note the limited assurance provided over the Council's Governance, Risk management and internal control arrangements.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The Audit and Governance Committee's Annual Assurance Report is part of the overall internal control arrangements and risk management process. The Committee objectively examines and evaluates the adequacy of the control environment through the reports it receives and in turn can provide assurances to Council on its governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that inform the Annual Governance Statement. Internal Audit work covers all strategic risk areas as identified in the Internal Audit Plan. Strategic, operational and project risks relevant to the system or process under review are considered in the scoping of every audit assignment.

4.2. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998. There are no direct environmental, equalities, consultation or climate change requirements or consequences of this proposal.

5. Financial Implications

5.1. There are no direct financial implications arising directly from this report.

6. Climate Change Appraisal

6.1. There are no climate change issues arising directly from this report.

7. Background

7.1. A key part of the Audit and Governance Committee's role is to report annually to Full Council on the Committee's findings, conclusions and recommendations; providing its opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements. In addition, the Committee should report to Council where they have added value, improved or promoted the control environment and performance in relation to its Terms of Reference and the effectiveness of the Committee in meeting its purpose and functions.

7.2. The Audit and Governance Committee has a well-established role within the Council, and it is important that an Annual Assurance report based on the work of the Committee is produced and recommended to Council. In compiling this assurance report, information provided at the Audit Committee meeting on 25th June 2026 has also been considered.

7.3. In addition, this report has been reviewed to ensure its continuing compliance with CIPFA 's Audit Committees, Practical Guidance for Local Authorities and Police, 2022 edition. This requires the Audit Committee to be held to account on a regular basis by the Council specifically in relation to:

7.4. Whether the;
- committee has fulfilled its agreed terms of reference;
- committee has adopted recommended practice;
- development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities;
- committee has assessed its own effectiveness, or been the subject of a review, and the conclusions and actions from that review and,
- what impact the committee has on the improvement of governance, risk and control within the Council.

7.5. The annual assurance report to Council for 2025/26, attached to this report, is an aid to addressing the key areas where the Committee should be held to account.

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

- CIPFA's Audit Committees, Practical Guidance for Local Authorities and Police, 2022 edition
- CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022
- Audit and Governance Committee reports 2025/26
- Internal Audit Annual Report 2025/26

Local Member:	N/A

Appendices

Appendix A - Draft Audit Committee Annual Assurance Report 2025/26

APPENDIX A

AUDIT COMMITTEE ANNUAL ASSURANCE REPORT FINANCIAL YEAR 2025/26

STATEMENT FROM THE CHAIRMAN OF THE AUDIT COMMITTEE

1. Governance in and of the public sector continues to be high profile with the Chartered Institute of Public Finance and Accountancy (CIPFA) supporting good practice in local government. In Shropshire we have a Code of Corporate Governance which is reviewed annually in line with the best practice issued by CIPFA and SOLACE; we have also produced an Annual Governance Statement, again in line with best practice and legislative requirements. Being well managed and well governed are important attributes in helping to improve performance and in reducing the risk of failing to achieve our objectives and providing good service to our community.

2. Shropshire Council has an Audit and Governance Committee that is long established in seeking to maintain and improve our governance procedures. The Committee is a key component of the Council's corporate governance arrangements and a major source of assurance of the Council's arrangements for managing risk, maintaining an effective control environment and reporting on internal and external audit functions and financial and non-financial performance.

3. This year the Committee has held seven planned meetings including the meeting held on 25th June 2026. The committee have received and considered a substantial number of reports across key areas of the Council's activity (**see Annex A).**

4. Membership of the Audit and Governance Committee for 2025/26 was made up of the following Councillors: Duncan Kerr (Chair), Kate Halliday (Vice Chair), Malcolm Myles-Hook, Rhys Gratton, Mark Owen, Duncan Borrowman, Carl Rowley, Sharon Ritchie-Simmons and Nigel Lumby. Substitutes were invited to attend and contribute at all meetings and training. An independent member, Jim Arnold was appointed in January 2023, but resigned from this position in January 2026. The recruitment of a new independent member is currently under consideration with an anticipated completion during the summer.

5. The benefits to the Council of operating an effective Audit Committee are:
   - Maintaining public confidence in the objectivity and fairness of financial and other reporting.
   - Reinforcing the importance and independence of internal and external audit and any other similar review process; for example, reviewing and approving the Annual Statement of Accounts and the Annual Governance Statement.
   - Providing a sharp focus on financial reporting both during the year and at year end, leading to increased confidence in the objectivity and fairness of the financial reporting process.
   - Assisting the co-ordination of sources of assurance and, in so doing, making management more accountable.

- Providing additional assurance through a process of independent and objective review.
- Raising awareness within the Council of the need for governance, internal control and the implementation of audit recommendations.
- Providing assurance on the adequacy of the Council's risk management arrangements and reducing the risk of illegal or improper acts.

6. The Committee continues to have a professional and arm's length relationship with Grant Thornton, the Council's external auditors, who attend all meetings of the Committee to offer their advice where needed.

7. The Committee undertakes a substantial range of activities and works closely with both internal and external auditors and the Chief Finance Officer (Executive Director of Resources /Section 151 Officer) in achieving our aims and objectives. We have put together a work and development plan for the year to enable key tasks to be considered and completed.

8. As Chair of the Committee, I see training as a key priority for members to undertake our roles effectively. The Committee has undertaken a full and extensive programme in 2025/26. Training has been received in relation to:
   - The role of the Audit Committee and Interpreting Internal Audit Performance Reports
   - Interpreting the Financial Statements
   - Audit Committee Self Assessment and Skills Framework
   - The Role of the Audit Committee (LGA Training)
   - Risk Management
   - Treasury Management

9. Members also have access to CIPFA's Better Governance Forum network which provides specific information in the form of regular briefings, training events, and an informative web site.

Details of Reports/Information Received

10. **Annex A** provides a summary of the key reports and information received by the Audit and Governance Committee at its meetings. These appear categorised in the areas which, under the Terms of Reference, the Committee have a responsibility to consider and report upon. They are
    - Governance;
    - Risk management framework;
    - Controls, including specific focus on:
      - ➢ Contracts and partnerships
      - ➢ Fraud, corruption and whistleblowing
      - ➢ Value for money

11. Following receipt of the reports the Audit and Governance Committee:
    - Resolved that there were reasonable arrangements for corporate governance and where improvements are required there is a clear improvement plan with dedicated lead officers that will be monitored by Members.

- Resolved that the risk management and assurance framework was not operating as intended and that improvements were needed in this area.
- Recognise the increased risks in the control environment and resolved that there is still a need to ensure continual monitoring by management and members alike on the internal control environment.
- Resolved that there were effective arrangements for the prevention and detection of fraud and corruption, and for enabling whistleblowing (confidential reporting).
- Resolved that there was evidence of effective arrangements in place to support Value for Money but recognised the links to good financial management and sound internal controls in minimising opportunities for waste and fraud and maximising income and use of all assets, and the need to ensure continual monitoring by management and members alike given the reported direction of travel of the internal control environment.
- Resolved that Financial Statements reflected the Council's true position, were complete including all transactions, and were prepared in accordance with International Financial Reporting Standards.

12. The Chief Audit Executive has offered Limited Assurance for the 2025/26 year on the Council's framework for governance, risk management and internal control. There are a continuing and increased number of high and medium risk rated weaknesses identified in key individual assignments that are significant in aggregate but where discrete parts of the system of internal control remain unaffected. Given that this is the 7th year reporting a limited assurance opinion, it is critical for the Council to demonstrate improvements in governance, internal control, and risk management throughout the 2026/27 period. The findings of this report highlight the need for a proactive approach in addressing the areas rated limited or unsatisfactory assurance during 2025/26.

13. The loss of key officers through the Council's voluntary redundancy programme, interim roles including those in statutory positions place further pressure on the delivery of the required improvement activities and required transformation works. This coupled with the statutory recommendation from the External Auditors highlights the scale of the challenges ahead. Credible and serviceable plans are required to reduce reliance on exceptional financial support in the medium to long term.

14. The Chief Audit Executive's overall opinion on the control environment has been "Limited" for seven years. The Committee shares the concern that there has been no demonstrable improvement in the internal control environment during 2025/26. There is a significant risk that this position is accepted as the norm and puts further pressure on the achievement of the Councils aims and objectives as set out in the Improvement Plan, People Plan, New Directions and corporate plan. It is therefore crucial that appropriate action is taken to reverse this position.

15. This will require a culture change across the organisation and embedding of the values and principles of audit and governance in every part of the Council. This will not be an easy task as the Council faces the following challenges:

a) For seven years in succession the Council has only received a limited assurance on the Council's framework for governance, risk and internal control from the Chief Audit Executive.
b) The Council faces an unprecedented financial situation which was adjudged to be perilous three years ago and has worsened since then with external audit identifying significant weakness in financial stability and governance and issuing a statutory recommendation. There is likely to be a corresponding increase in public scrutiny as tough decisions have to be made focussing attention on efficiency, effectiveness, value for money and good governance.
c) The latest update of the strategic risk register shows a very significant increased risk of failure of officers and members to adhere to governance arrangements.

Annual Statement of Assurance

16. Based on:
- The work carried out by the Internal and External Auditors and their reports presented to this Committee;
- Reports from service managers and;
- The work carried out by the Section 151 Officer, Head of Policy and Governance and their reports presented to this Committee

The Audit and Governance Committee recognises and is concerned about the limitations identified in the internal control framework and the impact on value for money. Therefore on balance, the Committee can provide limited assurance, founded on those reports, explanations and assurances received, that the Council has in place adequate and effective governance, risk management and internal control systems; internal, external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects.

Signed Date

On behalf of the Audit and Governance Committee

ANNEX A

Summary of assurance reports received by Audit and Governance Committee

Governance

- **Management report - ; Annual Governance Statement (AGS) and a review of the effectiveness of the Council's internal controls and Shropshire's Code of Corporate Governance**

Report of the Section 151 Officer on the effectiveness of the system of internal controls and the production of the Annual Governance Statement is due to be presented to the July Audit and Governance Committee meeting, a draft version is not yet available. Compliance with the Corporate Governance Code for 2025/26 has been as reasonable. It confirmed the Council's commitment to the principles of good corporate governance.

- **Annual Review of Audit and Governance Committee Terms of Reference**

Report of the S151 Officer which ensures that the Council continues to provide an effective Audit and Governance Committee. Terms of Reference are considered and approved by members annually. Changes were made to the name of the Committee from the Audit Committee to the Audit and Governance Committee to better reflect it's role. The size of the Committee was increased by four to ensure that all political groups can be represented. The changes were approved by Council on 17th July 2025.

- **Annual Audit and Governance Committee Self-Assessment**

The report of the Section 151 Officer which asked members to review and comment on compliance with the Chartered Institute of Public Finance and Accountancy's guidance on the function and operation of audit committees. There is significant compliance with the code and an improvement plan to address areas of partial compliance.

- **Internal Audit Charter and Mandate**

Report of the Chief Audit Executive which set out the requirement for an annual review of the Internal Audit Charter and Mandate which had been completed. The Charter demonstrates how Internal Audit complies with Global Internal Audit Standards. The Audit and Governance Committee approves the Charter which incorporates the mandate, mission, code of ethics, definition and core principles of Internal Audit. Minor changes were made to better align with GIAS.

- **Draft Audit Committee Annual Work Plan and Future Training Requirements 2026/27**

Report of the Chief Audit Executive which provided a proposed Audit and Governance Committee work plan and sought discussion and agreement around a learning and development plan for members to ensure they were well informed and appropriately skilled to fulfil their role. Therefore ensuring the integrity of the financial reporting and governance of the Council.

- **Internal Audit Recruitment Update**

The Committee requested an update from the Chief Audit Executive following their concerns regarding the level of Internal Audit resources. The report provided members with the current Internal Audit structure and confirmed increased capacity following a successful recruitment campaign. One post remained vacant and one was deleted to achieve the savings target.

The Audit and Governance Committee resolved that there were reasonable arrangements for corporate governance and where improvements are required there is a clear improvement plan with dedicated lead officers that will be monitored by Members.

Risk Management Framework

- **Management report: Strategic risks update**

The management of the strategic risks is a key process which underpins the successful achievement of our priorities and outcomes. Strategic risks are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes.

Reports during the year set out the existing strategic risk exposure. There were 10 strategic risks on the strategic risk register at the time of the biannual review in June 2025 with one in draft. Nine of these were high risk and one was medium. The report provided the rationale for the increased risk scores and noted that 100% of strategic risks were above the tolerance level. A strategic risk regarding the Economic Growth Strategy had been archived.
Members noted that no risks had improved over the last two years and questioned the effectiveness of mitigating actions.

As part of the review in December 2025 strategic risks were reassessed. Eight were assessed as high risk.. Two strategic risks relating to safeguarding children and the impact of increased waiting lists in DoLs, OT and SI.
Three strategic risks were scores at the maximum level of 25, those being:

- Failure to protect and manage the impact of a targeted cyber attack on ICT systems used by the Authority.
- Inability to contain overall committed expenditure within the current available resources within this financial year.
- Inability to set a balanced budget for a given year within the MTFS

Strategic risks are monitored to enable achievement of Council priorities and outcomes and are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes.

- **Internal Audit report of the review of Risk Management Audit 2025/26**

The report of the Internal Audit Manager summarised the detailed findings identified in the Internal Audit review of risk management of which the overall control environment had been assessed as limited, with evidence of non-compliance with some key controls. The Committee received assurance from the Strategy and Scrutiny Manager that work was underway to address the weaknesses identified.

- **Internal Audit Annual plan 2026/27**

The Committee received the report of the Head of Policy and Governance outlining the proposed risk based Internal Audit Plan for 2026/27. The plan covered key areas including governance, ethics, IT governance, risk management, and fraud management. The annual risk assessment, undertaken with senior leadership and the Section 151 Officer, ensured that audit activity remained aligned with the Council's risk profile. The plan reflected wider organisational challenges, including transformation and improvement activity, workforce pressures, financial constraints, and recommendations from external auditors.

The Audit and Governance Committee resolved that the risk management and assurance framework was not operating as intended and that improvements were needed in this area.

Controls

- **Management Update: Agency and Consultancy Staff Management Update**

The Committee requested a management update following an Unsatisfactory audit opinion which followed two previous limited assurances.
The HR and OD Manager presented the report from the Service Director for Enabling which reported that 10 recommendations had been implemented and two remained in progress with an anticipated implementation date in early 2027.

- **Management Report: Children's Social Care Budget Management Update**

Members requested a management update an update following a limited audit opinion.
The Director of Children's Services outlined the seven recommendations and confirmed that four would be taken forward at pace whilst some deadlines may need to extend into October due to the preparation for the recent Ofsted inspection.

- **Management Update: Internal Control Management Update**

Committee members requested a management update from the Leader and Interim Chief Executive following six years of limited assurance from the Chief Audit Executive.
The Interim Chief Executive and Leader of the Council outlined the actions taken to address the Committee's concerns including greater management oversight, the publication of an improvement plan and establishing an independently chaired Improvement Board. Members were reassured by the improvements underway but remained concerned about ongoing operational and cultural changes. The Interim Chief Executive committed to providing updates to each Audit and Governance Committee.

- **Management Update: Adult Social Care Outturn Update**

The Audit Committee received a report from the Interim Chief Executive providing an update on the issues that contributed to the significant changes in the financial position between period 11 and 12 during 2024/25. An Internal Audit review had been commissioned which made six recommendations, including one fundamental issue. Management assurance was provided that the fundamental recommendation has been implemented and most other recommendations were expected to be fully implemented by the next Committee meeting in February 2026. A further update was requested to be presented to the June 2026 Committee.

A further report was presented at the February 2026 Committee meeting, management assurance was provided that three recommendations had been implemented, including the fundamental recommendation regarding reporting actuals in budget monitoring. Three recommendations remain in progress. An update will be provided by Internal Audit to a future meeting when a follow up review has been completed.

- **Management Update: The Lantern**

Members received an update regarding the actions taken to address four repeated unsatisfactory audit assurance opinion. The establishment had been subject to repeated audits of it's income collection and letting arrangements and had consistently failed to implement the agreed actions despite management assurances previously provided to the Committee. Management assurances were provided that all recommendations had been addressed following the implementation of a new booking system. The Committee agreed that Internal Audit would report back in June or July 2026 once they had completed a follow up audit.

- **Management Update Deferred Payments Management Update**

The Committee received a management update following an unsatisfactory audit opinion, this area had previously been assessed as limited in 2021/22. Management assurance was provided that all recommendations had either been completed or were in advanced progress. The Committee agreed that Internal Audit would report back at a future meeting once they had completed a follow up audit.

- **Management Update: Improvement Plan Update**

The Committee received a report from the Interim Chief Executive which provided a summary of the arrangements in place to ensure delivery of the Council's Improvement Plan. The report was introduced by the Service Director for Strategy and Change.
Members agreed that adequate assurance had been obtained at this stage and assurance would be reassessed upon the presentation of additional evidence and outcomes.

- **Management Update: Supply Contracts Management Update**

The Committee received a management update following an Internal Audit briefing note outlining the decision to postpone the scheduled audit. This area had been previously assessed as limited in 2019/20.
The Service Director for Commissioning provided an update on the current position together with a range of improvement actions following their own self-assessment against a national framework.

- **Management Update: Shirehall Decant Management Update**

The Committee requested a management update on the project to dispose of the Shirehall following a limited Internal Audit assurance report.
The Head of Property and Development provided an update on progress made in implementing the report recommendations, one was reported as implemented and two were reported to be due for implementation by 31/03/26.

- **Internal Audit performance report and revised annual audit plan 2025/26**

Report of the Chief Audit Executive provided Members with an update of the work undertaken by Internal Audit throughout the year. By September Members were informed that 26 final reports had been issued which included one fundamental recommendation. Revisions were made to the plan following a successful recruitment campaign.

By the year end the Chief Audit Executive informed members that 60 final reports had been issued which included four fundamental recommendations.

Lower assurance levels and fundamental recommendations were separately identified throughout the year. Where appropriate, members requested management updates at subsequent meetings which are detailed in this report.

- **Internal Audit Annual Report 2025/26**

Report of the Chief Audit Executive on achievements against the revised internal audit plan for 2025/26 and the annual internal audit assurance. The Chief Audit Executive gave limited assurance for the year that the Council's framework for governance, risk management and internal control is sound and working effectively.

Revisions were made to the plan to reflect both changing resources and risks. There are a continuing and increased number of high and medium risk rated weaknesses identified in key individual assignments that are significant in aggregate but where discrete parts of the system of internal control remain unaffected.

The Audit and Governance Committee recognise the increased risks in the control environment and resolved that there is still a need to ensure continual monitoring by management and members alike on the internal control environment.

Controls: Fraud, Corruption and Whistleblowing

- **Fraud, special investigation and Regulation of Investigatory Powers Act (RIPA) update (Exempted by categories 2, 3 and 7)**

Members are provided with exempt reports of the Internal Audit Manager providing an update on the current fraud and special investigations undertaken by Internal Audit and current RIPA activity.

Following the departure of the postholder under the voluntary redundancy programme there are currently no arrangements in place for RIPA activity. The last update was received in July 2024 with the interim arrangements still yet to be decided.

- **Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy and activities, including an update on the National Fraud Initiative**

The report of the Chief Audit Executive outlined the measures undertaken in the last year to evaluate the potential for the occurrence of fraud, and how the Council managed these risks with the aim of prevention, detection and subsequent reporting of fraud, bribery and corruption. Members were provided with an update of the national fraud landscape and sector best practice guidance.

- **Fraud Investigation Options**

The report of the Section 151 Officer considered the motion referred to the Audit and Governance Committee by Council regarding the proposal to create a dedicated Counter Fraud Team. Following the consideration of a number of options the Committee agreed to refer this back to Cabinet to decide on the best way forward and recommended the setting up of a Task and Finish Group.
Cabinet considered the proposal at their meeting on 11th March 2026 and resolved that the Section 151 officer will prepare a proposal for the 2027/28 budget to create a corporate fraud team, dependent on an appropriate budget being identified

- **Annual Whistleblowing report**

Report of the HR and OD Manager which provides an update on the cases reported under the Whistleblowing arrangements will be reported to this committee meeting.

The Audit and Governance Committee resolved that there were effective arrangements for the prevention and detection of fraud and corruption, and for enabling whistleblowing (confidential reporting).

Controls: Value for Money

Sound internal controls lead to the effective, efficient and economic use of Council resources (VFM), assurances are taken from the robustness of the internal control environment, management of risks, soundness of governance and any additional reports add weight to these.

- **External Audit: Auditors Annual Report**

Report of the Engagement Lead (Grant Thornton) summarising the work undertaken, a key element of which is the Council's Value for Money (VFM) arrangements for the year ending 31 March 2025.

- **Contract Rules Exemptions Update (exempted by category 3)**

Report of the Service Director Legal and Governance on exemptions to the corporate procurement rules ensures transparency, accountability and oversight in the procurement process. This also provides assurance to the Audit and Governance Committee that these exemptions are granted in line with the approved policy and ensures that the Council is not exposed to unnecessary financial, legal or reputational risk.

The Audit and Governance Committee resolved that there was evidence of effective arrangements in place to support Value for Money but recognised the links to good financial management and sound internal controls in minimising opportunities for waste and fraud and maximising income and use of all assets, and the need to ensure continual monitoring by management and members alike given the reported direction of travel of the internal control environment.

Financial Reporting

- **External Audit: Letter on the Financial Position Based on Period 4**

The Committee received the External Auditor's letter highlighting their concerns about the Council's financial position and the potential need for a Section 114 notice if the position did not improved significantly and rapidly.

- **External Audit: Shropshire County Pension Fund Interim Audit Findings (Information) 2024/25**

Report of the Engagement Lead (Grant Thornton) summarised the interim findings for the year ended 31 March 2025 on the audit of the Pension Fund financial statements. It confirmed that there were no issues around the Fund's ability to continue as a going concern and that it was intended to issue an unqualified opinion to the Pensions Committee.

- **External Audit: Draft Auditors Annual Report**

The Committee received the report of the Engagement Lead from Grant Thornton which highlighted the Council's Financial Challenges. The report included one statutory and three key recommendations that focussed on financial resilience. The Committee referred the Auditor's report to Council as it was not in the Committee's remit to provide a response.

- **External Audit: Shropshire Council Audit Findings Report 2024/25**

In November 2025 the Committee received the report from the Engagement Lead which set out progress with the audit, current findings and the timeline for the audit opinion being agreed. The opinion was delayed pending receipt of a capitalisation directive from the Ministry of Housing, Communities and Local Government (MHCLG)

- **Financial outturn report 2025/26**

The report from the Section 151 Officer providing details of the revenue outturn position for the Council and the full year capital expenditure and financing of the Council's capital programme will be presented at the July 2026 Committee meeting.

- **Approval of the Council's Statement of Accounts including a review of accounting policies**

November 2025: The Committee received the report of the Section 151 Officer which provided the final approval of the Statement of Accounts for 2024/25 noting the minor amendments and unadjusted misstatement.

Treasury Management

- **Annual Treasury Report 2025/26**

The report of the Section 151 Officer setting out the borrowing and investment outturn for 2025/26, will be presented to this meeting together with the Treasury limits and Prudential Indicators.

- **Treasury Strategy 2025/26 mid-year report**

The report of Section 151 Officer provided Members with an economic update for the first six months of 2025/26, along with reviews of the Treasury Strategy 2025/26 and Annual Investment Strategy, the Council's investment portfolio for 2025/26, the Council's borrowing strategy for 2025/26, any debt rescheduling taken and compliance with Treasury and Prudential limits for 2025/26.

- **Treasury Strategy 2026/27**

Report of the Section 151 Officer which proposed the Treasury Strategy for 2026/27. It set out the arrangements for how the council would appropriately manage its arrangements for banking, cash flow management, investments, and borrowing, supporting the delivery of the MTFS. He explained that the report set out the current market conditions that the Council were working within along with the prudential indicators which gave a measure of the financial viability from a capital point of view and a borrowing point of view for the organisation. The strategy was approved with the proviso that a supplementary paper be provided setting out the contingency planning relating to Exceptional Financial Support.

The Audit and Governance Committee resolved that Financial Statements reflected the Council's true position, were complete including all transactions, and were prepared in accordance with International Financial Reporting Standards.

Council

16 July 2026
10am

State if
Public/Exempt*

Constitution of Committees and the Allocation of Seats to Political Parties

Cabinet Member:	Councillor Kidd – Leader of the Council
Lead Director:	Richard Phillips – Service Director – Legal and Governance
Service Area:	Legal and Governance
Report Author	Graham White – Interim Democratic Services Manager
Officer contact details	07719757677 graham.white@shropshire.gov.uk
Electoral Divisions Affected	All
Key Decision?	Non Key Decision
Cabinet Forward Plan	Not Applicable
Report considered by	Council – 16 July 2026

1. Purpose of Report

1.1. A recent change in group membership as a result of Councillors Andy Boddington and Chris Naylor leaving the Liberal Democrat Group requires amendments to the distribution of seats on committees. The report also deals with other appointments.

2. Recommendations

Council is asked to

2.1. Agree the composition and revised allocation of seats to each of the political groups for the remainder of the 2026/27 as detailed in the report.

2.2. Note the following changes to committee membership:

Economy and Environment Scrutiny Committee

Councillor Gary Groves to replace Councillor Ben Jephcott as a Member of the Economy and Environment Scrutiny Committee

Councillor Ben Jephcott to replace Councillor Gary Groves as a Substitute Member of the Economy and Environment Scrutiny Committee

Southern Planning Committee

Councillor Beverley Waite to replace Councillor Jon Tandy as a Member of the Southern Planning Committee

Councillor Chris Naylor to replace Councillor Andy Boddington as a Member of the Southern Planning Committee

Councillor Jon Tandy to replace Councillor Jeremy Blandford as a Substitute Member of the Southern Planning Committee

Northern Planning Committee

Councillor Caroline Bagnall to replace Councillor Rosemary Dartnall as a Member of the Northern Planning Committee

Housing Overview and Scrutiny Committee

Councillor Viv Parry to replace Councillor Rhys Gratton as a Member of the Housing Overview and Scrutiny Committee

Councillor Rhys Gratton to replace Councillor Duncan Borrowman as a Substitute Member of the Housing Overview and Scrutiny Committee

3. Background

3.1 The provisions of the Local Government and Housing Act 1989 require the Council to review the representation of each political group on committees, panels etc. at each annual meeting or as soon as practicable after that meeting. The regulations require that all Scrutiny, Standing and Regulatory Committees are politically balanced across the total number of committee places. Subject to that overriding requirement, each committee must also be politically balanced, as far as it is reasonably practicable.

3.2 The Executive (Cabinet) is not subject to the political balance rules.

3.3 Advisory Committees and other ad hoc bodies and groups are not subject to the political balance rules either, but traditionally political proportionality has been applied to them outside the overall aggregate balance referred to in paragraph 2.1 above.

3.4 The Council has been advised that Councillors Andy Boddington and Chris Naylor are no longer members of the Liberal Democrat Group and will continue as Non Affiliated Independent Members. Accordingly, it is necessary to review the membership of committees to reflect this change in the relative size of the political groups.

3.5 In order to accurately reflect the political balance of the authority, and to comply with the principles set out within the Local Government and Housing Act 1989, it is recommended that the Liberal Democrat Group relinquishes a seat on each of the Finance and Improvement Overview and Scrutiny Committee and the Strategic Licensing Committee. These seats will be allocated to Councillor Naylor and Councillor Boddington respectively.

3.6 In addition, since the last meeting of the Council the existing committee memberships have changed as set out in the recommendations.

4. Summary of Main Proposals

4.1. The Council is required to approve the allocation of seats to the political groups for the remainder of the coming year. In accordance with the Political Balance Rules, the revised maximum number of seats available to each of the groups will be:

Group Name	**Seats per Group**
Liberal Democrat	63 (-2)
Reform	23
Conservative	11
Green and Progressive Independent	8
Labour	6
Non Affiliated Independent (Edmunds)	1
Non Affiliated Independent (Boddington)	1 (+1)
Non Affiliated Independent (Naylor)	1 (+1)
Total	**114**

4.2. The proportionate allocation of seats to the political groups across all committees is set out in Appendix A.

5. Alternative Options

5.1. The Council must, in accordance with the Local Government and Housing Act 1989, ensure that the membership of committees and related bodies is proportionate to individual group membership.

5.2. If the Council does not allocate seats proportionately, it will not be acting in accordance with the Act.

6. Key risks and Opportunities

6.1. The recommendations in this report, if approved, will have no impact on Children and Vulnerable Adults, Risk Management, Human Rights, Equalities, Community, and other Consultation

7. Council Priorities

7.1. Compliance with its legislative requirements is key to supporting the Council Priorities ensuring good.

8. Financial Implications

8.1. The allocation of seats on Committees will have no obvious financial implications.

9. Legal and HR implications

9.1. The Council is obliged to allocate seats in accordance with the Local Government and Housing Act 1989.

10. Electoral Division Implications

10.1. The proposals in this report do not impact on specific electoral divisions

11. Health, Social (including “Child Friendly Shropshire”) and Economic Implications

11.1. There are no Health, Social or Economic implications arising from this report

12. Equality and Diversity Implications

12.1. There are no equality and diversity implications associated with this report

13. Climate Change, Biodiversity and Environmental Implications

13.1. There are no climate change, biodiversity or environmental implications associated with this report.

14. Background Papers

14.1. None

15. Appendices

Appendix A - Allocation of Seats to Political Groups

APPENDIX 1

ALLOCATION OF SEATS TO POLITICAL GROUPS

Composition of the Council	Lib Dem	Reform UK	Cons	Green & PI	Lab	Ind Edmunds	Ind Boddi ngton	Ind Naylor	Total
	40	15	7	5	4	1	1	1	**74**

SCRUTINY

	Lib Dem	Reform UK	Cons	Green & PI	Lab	Ind Edmunds	Ind Boddi ngton	Ind Naylor	Total
Finance and Improvement Overview and Scrutiny Committee	6	2	1	0	1	0	0	1	**11**
People Overview and Scrutiny Committee	6	2	1	1	1	0	0	0	**11**
Health Overview and Scrutiny Committee	6	3	1	1	0	0	0	0	**11**
Economy and Environment Overview and Scrutiny Committee	6	2	1	1	0	1	0	0	**11**
Housing Overview and Scrutiny Committee	6	2	1	1	1	0	0	0	**11**

STANDING AND REGULATORY

	Lib Dem	Reform UK	Cons	Green & PI	Lab	Ind Edmunds	Ind Boddi ngton	Ind Naylor	Total
Pensions Committee	3	1	0	0	0	0	0	0	**4**
Audit Committee	5	2	1	0	1	0	0	0	**9**
Standards	5	2	1	1	0	0	0	0	**9**
Strategic Licensing Committee	8	3	2	1	0	0	1	0	**15**
Northern Planning Committee	6	2	1	1	1	0	0	0	**11**
Southern Planning Committee	6	2	1	1	1	0	0	0	**11**

Aggregate No Seats Required	63	23	11	8	6	1	1	1	**114**

Council

16 July 2026
10am

Public

Localism Act 2011 – Appointment of Independent Persons

Cabinet Member:	Councillor Kidd – Leader of the Council
Lead Director:	Richard Phillips – Service Director – Legal and Governance
Service Area:	Legal and Governance
Report Author	Graham White – Interim Democratic Services Manager
Officer contact details	07719757677 graham.white@shropshire.gov.uk
Electoral Divisions Affected	All
Key Decision?	Non Key Decision
Cabinet Forward Plan	Not applicable
Report considered by	Council – 16 July 2026

1. Purpose of Report

1.1. Shropshire Council is required by the Localism Act 2011 to have in place at least one Independent Person whose views are to be sought in certain circumstances and taken into account when dealing with allegations that its Councillors, and those of the Town and Parish Councils in Shropshire, have failed to comply with the code of conduct.

1.2. Shropshire Council last appointed two Independent Persons for a term of 4 years in 2022.

2. Recommendations

2.1. Full Council is asked to

a) Agree the appointment of Alan Boyd, Tim Griffiths and Tom Senior as Independent Persons for an initial period of four years.

3. Background

3.1 Shropshire Council is required by the Localism Act 2011 to have in place at least one Independent Person whose views are to be sought in certain circumstances and taken into account when dealing with allegations that its Councillors, and those of the Town and Parish Councils in Shropshire, have failed to comply with the code of conduct.

4. Summary of Main Proposals

4.1. Following an open recruitment exercise, in which four candidates were invited to interview, three candidates have been identified who are suitable for appointment as Independent Persons. The interview panel comprised the Chairman of the Council, the Monitoring Officer, and the former Service Director – Legal & Governance.

4.2. Details of each candidate have been set out below. They each demonstrated a working knowledge of local government, a commitment to impartiality, meet the eligibility criteria set out in the Localism Act 2011 and are committed to good governance and the ethical framework relating to the member standards regime.

4.3. Alan Boyd lives in the County and has 43 years' public sector/local authority experience, including emergency planning, business continuity, incident response, member engagement, investigations, scrutiny work and partnership working. He also has over 23 years' experience as a Magistrate.

4.4. Tim Griffiths has lived in the County all his life and has extensive public service experience and is the current Independent Person. He has strong skills in impartial decision-making, communication, confidentiality, leadership, community service and accountability.

4.5. Thomas Senior resides within the Borough of Telford and Wrekin. He is a Senior Lawyer and Deputy Monitoring Officer at a large West Midlands local authority. He has direct experience of standards work through his employment.

4.6. All three candidates are, in the opinion of the Monitoring Officer, suitable for appointment to the role of Independent Person. Although the Localism Act 2011 only requires a Council to appoint a single independent person, Members may recall that the Committee for Standards in Public Life considers it to be good practice to have at least two Independent Persons appointed, to account for any potential conflicts of interest. Members will note that the role in not remunerated and the Council's Independent Persons volunteer in the role.

5. Key risks and Opportunities

5.1. The recommendations in this report, if approved, will have no impact on Children and Vulnerable Adults, Risk Management, Human Rights, Equalities, Community, and other Consultation

6. Alternative Options

6.1 The Council must, in accordance with the Localism Act 2011, appoint an Independent Person to be consulted by the complainant, any elected member subject to a complaint and the Monitoring Officer when determining Code of Conduct complaints.

6.2 If the Council does not appoint new Independent Persons, it will not be acting in accordance with the recommendations of the Committee for Standards in Public Life.

6.3 The appointment of at least two Independent Persons is a recommendation of the Committee for Standards in Public Life, allowing for flexibility should conflicts of interest arise or for the unavailability of a single Independent Person. It would be open to the Council to only appoint a sole Independent Person but for the reasons identified, it is not considered best practice to do so.

7. Council Priorities

7.1. The appointment of Independent Persons is a requirement of the Localism Act 2011 and contributes to good ethical governance supporting the delivery of the Corporate Plan.

8. Financial Implications

8.1. There are no direct financial implications associated with this report.

9. Legal and HR implications

9.1. The Council is obliged by the Localism Act 2011 to appoint at least one Independent Person.

10. Electoral Division Implications

10.1. The proposals in this report do not impact on specific electoral divisions.

11. Health, Social (including "Child Friendly Shropshire") and Economic Implications

11.1. There are no Health, Social or Economic implications arising from this report.

12. Equality and Diversity Implications

12.1. There are no equality and diversity implications associated with this report

13. Climate Change, Biodiversity and Environmental Implications

13.1. There are no climate change, biodiversity or environmental implications associated with this report.

14. Background Papers

14.1. None

15. Appendices

15.1 None

Shropshire and Wrekin Fire and Rescue Authority
Chair's Report of the Annual Meeting
held on 24 June 2026

Election of Chair and Appointment of Vice-Chair

The Fire Authority elected Councillor Richard Overton as its Chair and appointed Councillor Susan Coleman as its Vice-Chair until June 2027.

The new Chair formally recognised and thanked Cllr David Minnery for his role as a Chair of Fire Authority for the previous 3 years.

Vote of Thanks and Welcome

A vote of thanks was given to Councillor Raj Mehta from Telford & Wrekin Council, who left the Fire Authority in May 2026.

Members also welcomed Councillor Eileen Callear from Telford & Wrekin Council to her first meeting of the Fire Authority

Committee Composition and Allocation of Seats to Political Groups

The Fire Authority agreed the number of seats on its Committees and the allocation of those seats to political groups for the 2026/27 municipal year.

Fire Authority Terms of Reference and Committee Constitutions

The Fire Authority has agreed Terms of Reference for both the Fire Authority and its Committees.

Committee Membership and Appointments

The Fire Authority confirmed appointments to its Committees, appointed its representative to the Local Government Association Fire Services Commission and confirmed its Member Champion appointments for the forthcoming year.

Election of Committee Chairs and Vice-Chairs

The Fire Authority completed the annual appointment of Committee Chairs and Vice-Chairs following nominations from the respective Committees.

Councillor Roger Evans was elected Chair of the Strategy and Resources Committee, and Councillor Adam Fejfer was elected Vice Chair of that Committee.

Councillor Stephen Handley was elected Chair of the Audit and Standards Committee, and Councillor Thomas Clayton was elected Vice Chair of that Committee.

Councillor Beverley Waite was elected Chair of the Performance and Scrutiny Committee, and Councillor Alan Mosley was elected Vice Chair of that Committee.

Meeting Dates 2026/27
The Fire Authority approved the programme of Fire Authority and Committee meeting dates for the 2026/27 municipal year.

Review of Standing Orders and Scheme of Delegation to Officers
The Fire Authority reviewed and approved amendments to its governance framework, including Standing Orders, Financial Regulations, Contract Standing Orders and the Scheme of Delegation to Officers.

Code of Corporate Governance 2026/27
The Fire Authority approved and formally adopted the Authority's Code of Corporate Governance 2026/27 following consideration by the Audit and Standards Committee.

Performance and Scrutiny Committee Chair's Report
The Fire Authority received the report of the Chair of the Performance and Scrutiny Committee, providing an overview of Committee activity undertaken during April and June 2026, including scrutiny of Service performance and improvement activity.

Financial Performance to March 2026
The Fire Authority considered the Service's financial performance for the year ended 31 March 2026 and approved the recommendations contained within the report.

Statement of Accounts 2025/26
The Fire Authority considered the key revenue matters arising from preparation of the Statement of Accounts 2025/26 and approved the use of the General Fund balance during 2026/27 as set out within the report.

Productivity and Efficiency Plan
The Fire Authority received the Service's Productivity and Efficiency Plan and noted the work being undertaken to improve efficiency, productivity and value for money across the organisation.

Community Risk Management Plan
The Fire Authority received an update on delivery of the Community Risk Management Plan 2025–2028 and approved the proposal to extend the current Plan for a further 24 months following its annual review of risk.

Corporate Risk Management Annual Report 2025/26

The Fire Authority received the annual report on corporate risk management activity undertaken during the previous twelve months and reviewed progress made in strengthening the Service’s approach to the identification, management and monitoring of corporate risk.

Memorandum of Understanding for Special Observer Role

The Fire Authority approved and adopted a Memorandum of Understanding between the Authority and the recognised Employee Representative Bodies, namely the Fire Brigades Union (FBU), Fire and Rescue Services Association (FRSA), Fire Leaders Association (FLA) and UNISON, formalising arrangements for the Special Observer role.

Monitoring Officer Service Level Agreement

Following consideration in private session, the Fire Authority reviewed and evaluated the revised Monitoring Officer Service Level Agreement and approved the recommendations contained within the report.

Chair’s Announcements

The Chair formally thanked Richard Phillips, Deputy Clerk and Monitoring Officer, on the occasion of his final Fire Authority meeting before taking up a new role with Shropshire Council. The Authority also recorded its appreciation to Joanne Coadey, Head of Finance, for more than twenty-five years of dedicated service ahead of her retirement on 30 June 2026.

Richard Overton
Chair, Shropshire and Wrekin Fire and Rescue Authority
June 2026

Background Papers

Agenda and Papers for the Annual Meeting of Shropshire and Wrekin Fire and Rescue Authority held on 24 June 2026

The agendas and reports (apart from exempt or confidential items) for all Fire Authority and Committee meetings are on the Service’s website:

http://www.shropshirefire.gov.uk

To access reports, go to the Fire Service’s website and follow the steps below.

- Click on ‘About’ in the blue bar at the top of the page
- Hoover mouse over on ‘Fire and Rescue Authority’
- Click on ‘Meetings’ in the list
- Click on the appropriate meeting date and the various reports and appendices will be listed

If you have any difficulty with the website, please contact Lynn Ince, Executive Support Supervisor, on 01743 260225.