



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

Date: 29 May 2026

Committee:
Finance and Improvement Overview and Scrutiny Committee

Date: Monday, 8 June 2026
Time: 10.00 am
Venue: The Shrewsbury Room, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ

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

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

Please click [here](#) to view the livestream of the meeting on the date and time stated on the agenda. (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)

The recording of the event will also be made available shortly after the meeting on the Shropshire Council Youtube Channel [Here](#)

Tim Collard
Service Director – Legal and Governance (Monitoring Officer)

Members of Finance and Improvement Overview and Scrutiny Committee

Chris Naylor (Chair)	Gary Groves
Dawn Husemann (Vice-Chair)	Malcolm Myles-Hook
Bernie Bentick	Mark Owen
Ed Bird	Charles Shackerley-Bennett
Duncan Borrowman	Sam Walmsley
Rosemary Dartnall	

Your Committee Officer is:

Ashley Kendrick Democratic Services Officer

Tel: 01743 250893
Email: ashley.kendrick@shropshire.gov.uk

AGENDA

1 Apologies for Absence

2 Disclosable Interests

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

3 Minutes (Pages 1 - 6)

Members are asked to confirm the minutes of the meeting held on 13 April 2026 and 14 May 2026.

4 Public Question Time

To receive any questions from members of the public, notice of which has been given in accordance with Procedure Rule 14. Deadline for notification is not later than 12 noon on Tuesday 2 June 2026.

5 Members' Question Time

To receive any questions from Members of the Council. Deadline for notification is not later than 12 noon on Tuesday 2 June 2026.

6 Financial Outturn 2025/26 (Pages 7 - 50)

To consider the Financial Out-turn Report 2025/26 and the recommendations being made to cabinet in the report, and comment as appropriate.

7 Q4 Performance Report (Pages 51 - 76)

To note the Performance Monitoring Report Q4 and Corporate Plan Performance Framework and provide observations and recommendations on the Performance Framework through a verbal report by the Chair to Cabinet at their meeting on the 10 June 2026

8 Improvement Plan - Progress Report (Pages 77 - 90)

To note the Improvement Plan Progress Report and the progress it summarises, and provide observations and recommendations through a verbal report by the Chair to Cabinet at their meeting on the 10 June 2026.

9 Organisational Transformation: Lessons Learned Review (Pages 91 - 124)

To note the lessons learned and recommendations from the independent review and the actions being taken to strengthen the approach to manage and oversee transformation and change activity, and the intention for regular reporting on progress in delivering the transformation and savings portfolio.

10 Aquamira Learning Disability Day Service

To note the report and the review of Aquamira Learning Disability Day Service and the financial sustainability and recommend that progress in delivering the wider Adult Social Care Transformation Plan is reviewed by the People Overview and Scrutiny Committee in 12 months' time.

REPORT TO FOLLOW – This is due to the cabinet reports on the Day Services being released on Tuesday and not having the scrutiny reports on this released beforehand.

11 Helena Lane Older Peoples Day Service

To note the report and the review of Helena Lane Older Peoples Day Service and the financial sustainability and recommend that progress in delivering the wider Adult Social Care Transformation Plan is reviewed by the People Overview and Scrutiny Committee in 12 months' time.

REPORT TO FOLLOW – This is due to the cabinet reports on the Day Services being released on Tuesday and not having the scrutiny reports on this released beforehand.

12 Work Programme (Pages 125 - 128)

To consider proposals for the Committee's work programme 2025 – 2026 attached

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Committee and Date

Transformation and
Improvement Overview and
Scrutiny Committee

8 June 2026

TRANSFORMATION AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

Minutes of the meeting held on 13 April 2026

**In The Shrewsbury Room, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ
2.00 pm**

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

Present

Councillors David Minnery (Chair), Dawn Husemann (Vice-Chair), Rosemary Dartnall, Gary Groves, Malcolm Myles-Hook, Chris Naylor, Charles Shackerley-Bennett, Jon Tandy, Beverley Waite and Susan Coleman (substitute for Ed Bird)

In attendance

Councillor Sam Walmsley (remote), Councillor Greg Ebbs, Councillor David Walker (remote), Ashley Kendrick – Democratic Services Officer, Claire Braddock – Overview & Scrutiny Officer, Tom Dodds – Overview & Scrutiny Manager, Eddie West – Planned Policy & Strategy Manger (remote)

65 Apologies

Apologies had been received from Councillor Ed Bird (substituted by Councillor Susan Coleman) and Councillor Sam Walmsley (attending remotely).

66 Disclosable Interests

No declarations were received.

67 Minutes of Previous Meeting

RESOLVED:

That the minutes of the meeting held on 9 February 2026 be confirmed as an accurate record.

68 Public Question Time

There were no public questions.

69 Member Question Time

There were no members' questions.

70 Part One Report of the Community Infrastructure Levy (CIL) Task and Finish Group

The Committee considered the report of the Community Infrastructure Levy Task and Finish Group, which reviewed the governance, transparency and allocation of CIL funding. The Chair of the Task and Finish Group outlined the scope of the review, noting that this was the first phase of work and focused on decision-making structures, the balance between local and strategic CIL, reporting arrangements and Member involvement.

Members discussed the current 90:10 local/strategic split, highlighting the need for flexibility, clarity over local mitigation for communities affected by development, and fairness where development impacts cross administrative boundaries. It was noted that the Task and Finish Group had not reached a unanimous view on revising the split and considered that Cabinet was best placed to determine this, informed by improved information and an annual strategic approach.

Members welcomed recommendations to introduce an annual CIL strategy, enhanced Member oversight, improved transparency of decisions and spending, more regular reporting to scrutiny, and clearer communication with Members and town and parish councils. Concerns were raised about the opacity of current arrangements, delays in delivery of approved schemes, and limited visibility of available balances and funded projects.

The Committee endorsed the report and its recommendations, including further exploration of alternative models and consideration of future arrangements to strengthen local engagement, and agreed that the report be submitted to Cabinet for consideration, together with the issues and assurances raised during scrutiny.

71 Work Programme

Members received an update on the work programme and noted the forthcoming member workshop scheduled for 9 June, which will involve all scrutiny committees and senior officers to consider future topics aligned to the corporate plan.

Members sought clarification on the relationship between the devolution and partnership workstreams. It was confirmed that the Partnership Task and Finish Group would continue into a further phase of work, while a separate Devolution Task and Finish Group would be established to consider the devolution of specific services, including pilot schemes, at an appropriate stage.

The Committee noted the update and the ongoing development of both workstreams.

72 Date of Next Meeting

Members noted that the next meeting was scheduled for 8 June 2026.

Signed (Chairman)
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Date:

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Committee and Date
 Finance and Improvement
 Overview and Scrutiny
 Committee
 8 June 2026

FINANCE AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

**Minutes of the meeting held on 14 May 2026
 In the Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ
 12.00 - 12.10 pm**

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

Present

Councillors Chris Naylor (Chair), Dawn Husemann (Vice-Chair), Bernie Bentick, Ed Bird, Duncan Borrowman, Rosemary Dartnall, Gary Groves, Malcolm Myles-Hook, Mark Owen, Charles Shackerley-Bennett and Sam Walmsley

1 Election of Chairman

It was proposed, seconded and duly **RESOLVED**

That Councillor Chris Naylor be elected Chairman of the Finance and Improvement Overview and Scrutiny Committee for the forthcoming municipal year

2 Apologies for Absence

There were no apologies for absence

3 Appointment of Vice Chairman

It was proposed, seconded and duly **RESOLVED**

That Councillor Dawn Husemann be appointed Vice-Chairman of the Finance and Improvement Overview and Scrutiny Committee for the forthcoming municipal year

Signed (Chairman)

Date:

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Committee and Date

Finance and Improvement Overview and Scrutiny Committee
8th June 2026

Cabinet
10th June 2026

Audit & Governance Committee
15th July 2026

Council
16th July 2026

Item

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 Cabinet 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 be 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

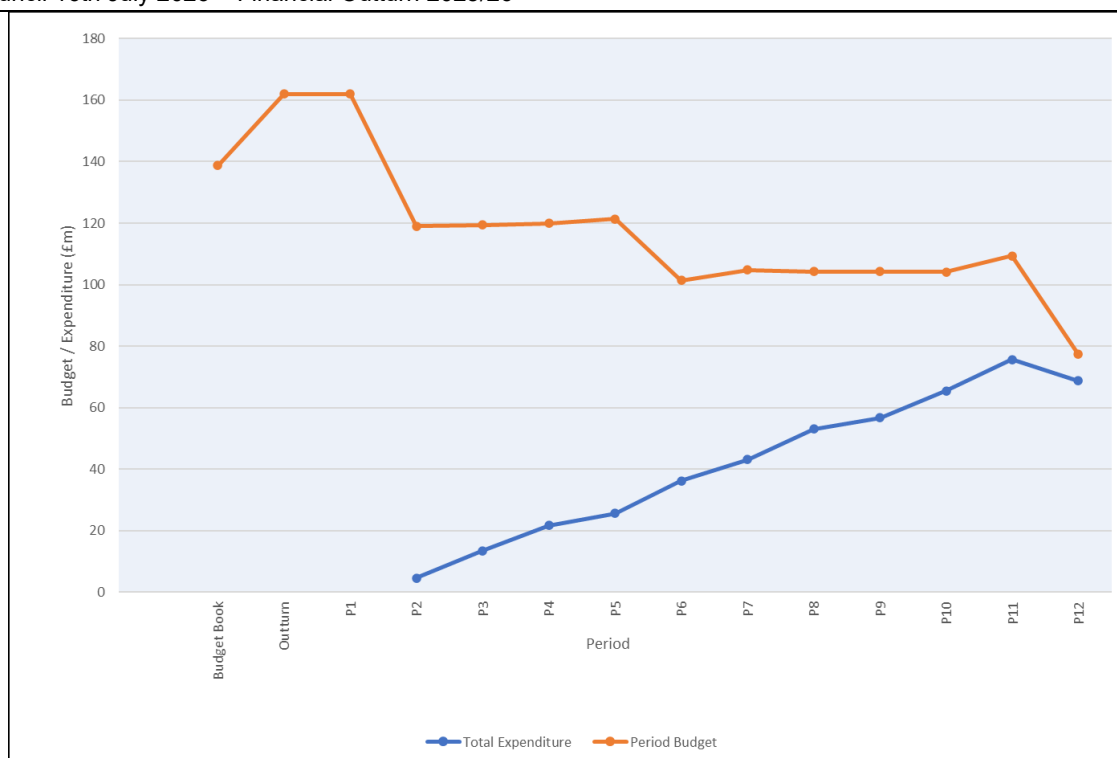
- 8.1. While the overall position for reserves and provisions is set out in the Statement of Accounts 2025/26, a detailed breakdown of the balances is contained at Appendix 6.

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

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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	<ul style="list-style-type: none"> • £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	<ul style="list-style-type: none"> • £21.899m pressure budget purchasing made up of: <ul style="list-style-type: none"> - £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,

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						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

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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

						<p>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</p> <ul style="list-style-type: none"> • (£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	<ul style="list-style-type: none"> • £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

						<p>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</p> <ul style="list-style-type: none"> • £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	<ul style="list-style-type: none"> • £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 Devonian 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	<ul style="list-style-type: none"> • (£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	<ul style="list-style-type: none"> • (£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	<ul style="list-style-type: none"> • (£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	<ul style="list-style-type: none"> • Minor Variance to Budget as at Outturn
Leisure	Housing & Leisure	2,451,260	3,267,594	816,334	R	<ul style="list-style-type: none"> • £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	<ul style="list-style-type: none"> • £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

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	<ul style="list-style-type: none"> • (£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	<ul style="list-style-type: none"> • (£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

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Business and Consumer Protection	Health	2,549,440	1,780,088	(769,352)	Y	<ul style="list-style-type: none"> • (£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	<ul style="list-style-type: none"> • (£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	<ul style="list-style-type: none"> • £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

						<ul style="list-style-type: none"> • (£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
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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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> •£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	<ul style="list-style-type: none"> •£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	<ul style="list-style-type: none"> •(£0.139m) spend under budget relating to Voluntary Redundancy programme and vacancy efficiencies.

Finance	Finance	2,286,310	1,406,708	(879,602)	Y	<ul style="list-style-type: none"> • (£0.060m) Additional income from Employee Recharges • (£0.815m) spend under budget relating to Voluntary Redundancy programme and vacancy efficiencies.
						<ul style="list-style-type: none"> • £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.
Revenues and Benefits	Finance	2,761,250	4,702,079	1,940,829	R	
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

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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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • £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	<ul style="list-style-type: none"> • Minor Variance to Budget as at Outturn
Outdoor Partnerships	Housing & Leisure	1,134,340	1,159,425	25,085	G	<ul style="list-style-type: none"> • Minor Variance to Budget as at Outturn
Highway Policy & Strategic Infrastructure	Highways & Environment	1,794,640	1,687,850	(106,790)	Y	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • (£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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • £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	<ul style="list-style-type: none"> • £0.170m Net spend above budget relating to Highways 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	<ul style="list-style-type: none"> • (£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	<ul style="list-style-type: none"> • (£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 & Governance

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
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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	

Finance and Improvement Overview and Scrutiny Committee 8th June 2026; Cabinet 10th June; Audit & Governance 15th July & Council 16th July 2026 – Financial Outturn 2025/26

PRF&C0 - Income	£3,848,740	£0	£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	£0	£65,320
PRR2 - Enabling Resizing	£1,256,000	£0	£0	£0	£0	£0	£0	£0	£0	£1,256,000
PRR4 - Children's Rightsizing	£2,000,000	£0	£0	£0	£0	£0	£0	£0	£0	£2,000,000
PRR5 - Infrastructure Resizing	£850,000	£0	£0	£0	£0	£0	£0	£0	£0	£850,000
PRR6 - Care & Wellbeing Rightsizing	£1,300,000	£0	£0	£0	£0	£0	£0	£0	£0	£1,300,000
PRTP50 - Third Party	£12,991,240	£0	£1,785,449	£1,785,449	£0	£1,785,449	£1,785,449	£0	£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	£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	£0
RC011/19 - Review and right size business support function	£312,500	£0	£312,500	£312,500	£0	£312,500	£312,500	£0	£0	£0
RC016 - Agency Staff - reducing use of agency staff, promote permanent staffing.	£85,000	£0	£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	£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	£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	£0
RC030 - Review staffing and resize the Outdoor Partnerships team	£13,840	£0	£13,840	£13,840	£0	£13,840	£13,840	£0	£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	£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	£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	£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	£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	£0
RC087 - DSG funding of SEND pressures	£500,000	£0	£500,000	£500,000	£0	£500,000	£500,000	£0	£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	£0
RC089 - Increased charges for car parking across the County.	£500,000	£0	£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	£0	£100,000
RC091 - More fixed penalties issued for dog fouling, littering and illegal parking.	£300,000	£0	£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	£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	£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	£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	£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	£0
SC008 - Review staffing and resize the Empty Homes service	£47,010	£0	£47,010	£47,010	£0	£47,010	£47,010	£0	£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	£0	£2,500,000
TO001 - Explore shared emergency planning resource and resilience with partners.	£15,000	£0	£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	£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	£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	£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	£0	£42,153,635

APPENDIX 3

AMENDMENTS TO ORIGINAL BUDGET 2025/26

	Total	Care & Wellbeing	Children & Young People	Commissioning	Communities & Customer	Corporate	Enabling	Executive Management Team	Infrastructure	Legal, Governance & Planning	Pensions	Strategy
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Quarter 2 Revised Budget (as a result of wholesale 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

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APPENDIX 4

GENERAL FUND BALANCE

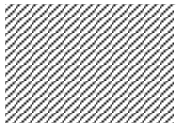
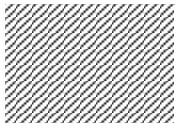
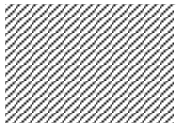
- 4.1 The General Fund reserve at 31st March 2025 stood at £4.825m, below the target level which is £15m-£30m as a minimum. The 2025/26 budget strategy included a contribution of £29.455m to the General Fund balance which would then reach £34.280m.
- 4.2 It is essential that the Council retains the General 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) £
<u>Income</u>			
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
<u>Expenditure</u>			
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)
<u>HRA Reserve</u>			
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	Movement Out 2025/26	Movement In 2025/26	Balance Carried Forward
		(£'000)	(£'000)	(£'000)	(£'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

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	Established from the traded Education Welfare Service for reinvestment 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 support 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.

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

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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



Finance & Improvement Overview & Scrutiny - 8th June

Item

Cabinet - 10th June

Public

Q4 2025/26 Performance Report and New Corporate Plan 2026-30 Performance Framework

Responsible Officer:	Paul Clarke – Service Director, Strategy & Change paul.clarke@shropshire.gov.uk
Cabinet Member (Portfolio Holder):	Cllr Heather Kidd - Leader

1. Purpose of Report

This report has two purposes:

- To present the Quarter 4 (2025/26) performance position against ‘The Shropshire Plan 2022-2025’.
- To present a proposed performance framework aligned to the new Corporate Plan 2026–2030 (Appendix 2). This framework includes a set of Key Performance Indicators (KPIs) and key delivery commitments for 2026/27 against each of the Plan’s priority ambitions (Appendix 3).

2. Executive Summary

Looking back

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

This report covers the performance in the fourth quarter of the 2025/26 financial year (January to March 2026). It will be the final performance report aligned to The Shropshire Plan. Performance is reported on an exception basis, where performance may not be meeting targets. The interactive [The Shropshire Plan Performance Dashboard](#) is the main source of performance information enabling greater insight, transparency and scrutiny of the Council’s performance and delivery of its outcomes. This report should be viewed in conjunction with the dashboard and its ‘New Data This Quarter’ page which visualises each KPI’s trends and comparison to other local authorities where possible.

Moving forward

- 2.2. A new Corporate Plan 2026-30 has been developed to replace the Shropshire Plan and was approved by full Council on 14 May 2026. Aligned to the new Plan, a Performance Management Framework (PMF) will help demonstrate delivery against the priority ambitions through a set of Key Performance Indicators (KPIs) and ‘delivery commitments’ for 2026/27. The Performance Management Framework and the proposed suite of KPIs and delivery commitments are set out in **Appendix 2 and 3**.
- 2.3. The key features of the Framework are set out in paragraph 4.7. A suite of KPIs and delivery commitments, along with regular reporting, and a business planning approach and performance development reviews (PDRs) aligned to the Plan will ensure we are an evidence-led and performance-focussed council, with accountability at all levels of the organisation. Our KPIs and delivery commitments provide the basis to understand progress and impact in delivering the priority ambitions in the Plan, but they will need to adapt to respond to new developments as they arise, e.g. new government requirements and national policy.
- 2.4. A suite of approximately 50 strategic-level KPIs have been developed, aligned to the Corporate Plan 2026-2030 priority ambitions (**Appendix 3A**). These KPIs will help provide strategic assurance on the delivery against the Plan’s priority ambitions and demonstrate improvement of outcomes for our residents.
- 2.5. The suite has been drawn from a pool of over 200 KPIs, made up of the existing Shropshire Plan KPIs and the national [Local Outcomes Framework](#) (LOF) metrics. The LOF was formally published in February 2026 and sets out the key outcomes that central and local government want to achieve together for people and places, focusing on results that matter most to residents. The KPIs have been reviewed through workshops and meetings with members of the Scrutiny Committee, Executive Directors and Service Directors during April and May 2026. Targets against KPIs (where it is relevant to set targets) will be done once the KPI suite is agreed.

3. Recommendations

That **Finance and Improvement Overview and Scrutiny Committee**:

- 3.1. Note the progress and position against the outcomes of The Shropshire Plan.
- 3.2. Review the proposed Corporate Plan 20206-2030 Performance Management Framework (**Appendix 2 and 3**) - and provide observations and any recommendations through a verbal report by the Chair to Cabinet at their meeting on 10th June 2026.

That **Cabinet**:

- 3.3 Note the progress and position against the outcomes of The Shropshire Plan.
- 3.4 Approve the proposed Corporate Plan 20206-2030 Performance Management Framework (Appendix 1 and 2) and delegate authority to the Service Director (Strategy & Change) in consultation with the Leader of the Council to make any final amendments to KPIs and delivery commitments.

Report

4. Performance summary

Looking back: Shropshire Plan 2025/26 Q4 performance: Key Findings and context

4.1 In Quarter 4 of 2025/26, a total of 36 Key Performance Indicators (KPIs) have been updated in [The Shropshire Plan Performance Dashboard](#). 5 of these KPIs are grey, meaning that they do not have a target set for various reasons such as being contextual measures, see the table below:

KPI No.	KPI name	Reason for no target
HP36	Rate of people killed or seriously injured	Not appropriate to set a target for accidents, looking at trend over time with the aim to reduce.
HO15	% of staff who have completed their PDPs	No target has been set for Personal Development Plans (PDPs). While PDPs are being completed, recording within the ERP system is inconsistent. Staff and managers continue to be reminded to record PDP completion dates in the ERP. As the 'Role of the Manager' programme and wider compliance requirements are implemented, an appropriate target will be established.
HEn13	Number of volunteer hours supporting community, leisure and tourism services	A contextual measure and looking at trend over time.
HEn7	Tonnage of household waste recycled	A contextual measure which complements HEn6.
HEn10	Improve energy efficiency of Council buildings – Energy consumption per SqM	A target has not been set for this KPI because performance is influenced by a range of variables. In addition, comparability over time has reduced as the Council's operational building estate has changed.

4.2 Of the 31 Key Performance Indicators (KPIs) with targets:

- 71% (22 KPIs) are above their target (green).
- 6% (2 KPI) of indicators were similar to their target (amber).
- 23% (7 KPIs) are below their target and are showing as exceptions (red).
Detail on each exception and the reasons are reported in the **Appendix 1** of this report.

4.3 **Healthy People:** Demand for Education, Health and Care Plan (EHCP) statutory assessments for children and young people with special educational needs and disabilities remains high. A six-month recovery plan is in place from 1 May 2026, including additional capacity to support timely completion of the statutory Education Health Care Needs Assessment (EHCNA) process, which is being closely monitored and is currently on track. School readiness figures show an inequality driven by deprivation, with 43% of children eligible for free school meals achieving a good level of development at the end of Reception, compared with 68% of children overall in Shropshire. Addressing this is a key feature of the Best Start in Life (BSiL) transformation programme. Children's social care teams continue to complete the majority of assessments within 45 days, performing better than the national rate and in line with statistical neighbours. Placement stability for children in care remains strong, supporting improved outcomes, and the Council continues to maintain contact

with the majority of care leavers to provide ongoing support and guidance. The Early Help Team continue to deliver timely targeted interventions preventing escalation of need and future crisis. In adult health and wellbeing, deaths from drug misuse remain stable and uptake of breast cancer screening is improving. We continue to support people to live in their communities, with the latest admission rates to residential and nursing care remaining low (below the national rate in 2024/25) and with majority (81%) of people with learning disabilities living in their own homes or with family in Shropshire, maintaining their independence whilst reducing reliance on others.

Modified	Indicator Name	Latest	Shropshire	Target	On Target?	Indicator Trend
23/04/2026	(NEW) HP9 - C19d - Deaths from drug misuse (per 100,000 population)	2022/24	3.7	3.7	✓	
30/04/2026	(NEW) HP8b - B02a - School Readiness: percentage of children with free school meal status achieving a good level of development at the end of Reception	2024/25	43.7%	48.8%	✗	
30/04/2026	(NEW) HP8a - School readiness: percentage of children achieving a good level of development at the end of Reception	2024/25	68%	65%	✓	
23/04/2026	(NEW) HP5 - Uptake of breast cancer screening - PHE C24a	2025	77.9%	71.7%	✓	
28/04/2026	(NEW) HP36 - Rate of people Killed or Seriously Injured (KSI) on our roads (rolling 3-year average)	Mar-26	120	-	-	
08/05/2026	(NEW) HP35 - Rate of people with Learning Disabilities that live in their own home or with family (aged 18-64, ASCOF 2E)	Mar-26	81.3%	81.4%	✓	
08/05/2026	(NEW) HP33b - Top quartile performer for the rate of admissions to residential and nursing care (65+)	Mar-26	587.7	592.5	✓	
08/05/2026	(NEW) HP33a - Top quartile performer for the rate of admissions to residential and nursing care (18-64)	Mar-26	15.2	17	✓	
06/05/2026	(NEW) HP32 - HP32 - The proportion of long-term adult social care users in receipt of community-based services	Mar-26	66.6%	68.5%	⚠	
23/04/2026	(NEW) HP31 - % of Educational Health Care Plans (EHCP) issued within 20 weeks (exc exceptions)	Mar-26	26%	50%	✗	
16/04/2026	(NEW) HP3 - Percentage of high-risk businesses, subject to a planned inspection, which were inspected to ensure compliance	Mar-26	100%	100%	✓	
06/05/2026	(NEW) HP22 - % of care leavers the service remains in touch with	Mar-26	98%	96%	✓	
06/05/2026	(NEW) HP20 - Targeted Early Interventions - All outcomes achieved	Mar-26	86%	80%	✓	
06/05/2026	(NEW) HP19 - Stability of placements of looked after children: length of placement	Mar-26	72%	70%	✓	
06/05/2026	(NEW) HP18 - % Assessment timeliness: within 45 working days	Mar-26	88%	90%	⚠	

4.4 Healthy Environment: The household recycling, reuse and composting rate declined this quarter. The position is broadly consistent with the same quarter last year and reflects the impact of a particularly wet winter, which reduced volumes of green garden waste. This has compounded the reduction observed following the introduction of the subscription service and the discontinuation of food waste collections. The validity and accuracy of the KPI measuring the proportion of premises with access to gigabit broadband (HEn17) is being reviewed.

Modified	Indicator Name	Latest	Shropshire	Target	On Target?	Indicator Trend
23/04/2026	(NEW) HEn7 - Tonnage of household waste recycled	Dec-25	16,513	-	-	
22/04/2026	(NEW) HEn6 - % of household waste sent for re-use, recycling and composting	Dec-25	47.4%	52.6%	✗	
16/04/2026	(NEW) HEn17 - Increase the proportion of Premises with access to gigabit broadband (>1,000Mbps)	Mar-26	80.3%	77.3%	✓	
23/04/2026	(NEW) HEn13 - Number of volunteer hours supporting community, leisure and tourism services	Mar-26	8,555	-	-	
16/04/2026	(NEW) HEn10 - Improve energy efficiency of Council buildings – Energy consumption per SqM	Dec-25	10	-	-	

4.5 Healthy Economy: The Housing Service continues to reduce reliance on bed and breakfast (B&B) accommodation, with the number of households in emergency accommodation more than halving since September 2025. This reflects strengthened homelessness prevention activity and improved access to more suitable temporary accommodation. The Council also exceeded its target of delivering 350 new affordable homes in 2025/26, with 415 completions however, the five-year housing land supply position reduced slightly in early 2025. Wider economic indicators remain positive this quarter. The proportions of households in receipt of Universal Credit and of out-of-work claimants are favourable, at around half the regional and national rates. The number of young people not in education, employment or training (NEET) continues to reduce, supporting improved economic, social and health outcomes. Performance against planning application timeliness remains within target, and food hygiene compliance remains high, supporting a vibrant food, tourism and leisure sector.

Modified	Indicator Name	Latest	Shropshire	Target	On Target?	Indicator Trend
16/04/2026	(NEW) HEc4 - Households in receipt of Universal Credit - to be lower than English and regional rates	Nov-25	16.9%	26.1%	✓	
30/04/2026	(NEW) HEc25 - Planning Applications - other	Mar-26	93.1%	70%	✓	
30/04/2026	(NEW) HEc24 - Planning Applications - minor	Mar-26	87%	70%	✓	
30/04/2026	(NEW) HEc23 - Planning Applications - major	Mar-26	80%	60%	✓	
23/04/2026	(NEW) HEc22 - Percentage of food establishments that are 'broadly compliant'	Mar-26	98.2%	97%	✓	
08/04/2026	(NEW) HEc18 - Reduction of households in B&B accommodation	Mar-26	36	40	✓	
06/05/2026	(NEW) HEc17 - Delivery of affordable homes	Mar-26	415	350	✓	
23/04/2026	(NEW) HEc15 - Maintaining 5-year housing land supply	Mar-25	4.7	5	✗	
16/04/2026	(NEW) HEc14 - Out of work claimant rates to remain lower than the Region and England	Feb-26	2.5	4.1	✓	
23/04/2026	(NEW) HEc13 - Young people (16 - 17) Not in Employment Education or Training	Mar-26	2.8%	3.4%	✓	
06/05/2026	(NEW) HEc11 - Paid employment for people with Learning Disabilities	Mar-26	2.1%	-	✗	
16/04/2026	(NEW) HEc1 - Levels of investment – target £350 million – 2022 – 27	Mar-26	£338,419,291	£255,000,000	✓	

4.6 **Healthy Organisation:** FOI compliance rates are improving, up from 55% to 70% in the last 6 months however is still missing the target of 100%. Despite a reduction in the use of interim and agency staff and staff turnover rates, the council is experiencing rising rates of sickness absence.

Modified	Indicator Name	Latest	Shropshire	Target	On Target?	Indicator Trend
06/05/2026	(NEW) HO19 - Number of data breaches reported to the Information Commissioner	Mar-26	3	-	✗	
06/05/2026	(NEW) HO17 - Responding to Freedom of information Requests within statutory timescales (20 working days)	Mar-26	70%	100%	✗	
30/04/2026	(NEW) HO15 - % of staff who have completed their Personal Development Plans	Mar-26	28.5%	-	✗	
30/04/2026	(NEW) HO13 - Average number of days lost to sickness absence per year	Mar-26	11.69	8	✗	
30/04/2026	(NEW) HO11 - Staff turnover rates	Mar-26	6.1%	7%	✓	

Moving forward: Corporate Plan 2026-2030 Performance Management Framework

4.7 The proposed Framework is made up of several elements and principles:

- A suite of Key Performance Indicators (KPIs) - to demonstrate the outcomes we are trying to improve and impact we are making.
- Quarterly reporting to Cabinet and Overview and Scrutiny Committees
- An Annual Review Report summarising delivery and performance against the Corporate Plan
- An annual review of our delivery commitments (including associated KPIs)– ensuring what we are committing to deliver on aligns to our financial sustainability and are budgeted for.
- Business and budget planning – Directorates and Service Areas produce service plans setting out their contribution to delivery of the plan.
- Performance development reviews (PDRs) - ensures clear understanding of individual and team contributions to the councils’ priorities.
- Regular communication and engagement with staff and members – to keep the plan firmly in focus.

4.8 The Framework will provide a basis to report progress, delivery and impact against the priority ambitions in the new Corporate Plan 2026-2030. Targets will be set for a number of the KPIs where relevant to do so and accountable officers and portfolio leads will be aligned to them and the delivery commitments. Quarterly monitoring and an annual report will provide opportunities to demonstrate and evidence progress, delivery, performance and impact beyond the activities and KPIs outlined in this framework

5. Risk Assessment and Opportunities Appraisal

- 5.1. The management of the Council's Performance Management Framework is a key process in ensuring strategic risks are mitigated and the Council can carry out business as intended and planned for within The Shropshire Plan, and moving forward, the Corporate Plan 2026-30.
- 5.2. The management of key performance indicators is a key process to monitoring progress in the delivery of outcomes. This provides insight into whether corrective action is required to bring performance back on track. The performance report and dashboard provide a high-level lens into the performance of Shropshire Council allowing for further targeted detail analysis to support the mitigation of any risks identified. Regular budget monitoring and financial reporting is also part of the wider performance management, governance and risk management approach within the Council.
- 5.3. Ultimately, the Council must risk assess the delivery of its strategic objectives and adjust, accordingly, to ensure an acceptable balance of outcomes are achieved at a strategic level while remaining focussed on financial sustainability. This may mean the prioritisation of some objectives over others to react to the evidence presented within the PMF or the financial position of the Council. It may not be possible to achieve optimal performance across all indicators and it may be necessary to oversee expected reductions in performance in some areas to remain within the overall financial envelope and ensure full focus is given to prioritised areas of activity by officers including significant management action required over the remainder of the financial year to ensure the Council's financial survival.

6. Financial Implications

- 6.1. Shropshire Council continues to manage unprecedented financial demands, and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position regularly presented to Cabinet. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial stability and sustainability.

The performance report provides progress on key activity targets which correlate to financial performance. It should be noted that positive improvement on activity may not necessarily correspond to financial improvement, and this should be drawn out in the narrative of the financial and performance reports.

7. Climate Change Appraisal

- 7.1. The performance report includes KPIs for Healthy Environment with measures for monitoring Shropshire Council's direction of progress on climate change. Recommendations within the Climate Strategy and Action Plan Monitoring Report 2023 were agreed by the Council on the 18th of July 2024. Climate Change also has significant implications for Healthy People, a Healthy Economy and a Healthy Organisation. Measuring emissions also provides a baseline for setting climate targets and deciding where to start reducing emissions. Repeating the measurement process annually allows Shropshire Council

to track and report progress in a clear, transparent way to ensure that key stakeholders - members, regulators, employees, members of the public, other local authorities and system partners are informed about our collective climate action and impact.

8. Background

- 8.1. The focus of the Council in 2025/26 was necessarily directed at the delivery of a balanced budget, and is currently, therefore, the highest priority strategic objective within TSP balanced alongside protecting our most vulnerable children. Financial sustainability remains a key priority within the new Corporate Plan.
- 8.2. Information on each Shropshire Plan KPI is presented within [The Shropshire Plan Performance Dashboard](#), which is refreshed and published on a quarterly basis on the Council's website. This includes performance status (red, amber, green - currently reported based on variation from the target) and trends and benchmarking information, where available. See the '[Frequently Asked Questions](#)' to view thresholds for variation. The dashboard is designed to be a dynamic tool, continuously improving based on user feedback and emerging requirements. Feedback on the design and usability of the dashboard and performance webpage is welcomed. [A feedback form](#) is available for questions and queries, which are reviewed regularly with responses provided and published where appropriate alongside the dashboard.
- 8.3. Targets, tolerances and benchmarks for the new Corporate Plan 2026-30 Performance Framework will be clarified over the coming months, where possible, with regularly updated monitoring information published via [the Performance Shropshire Council](#). We aim to start reporting against the new suite of KPIs in September 2026.

9. Conclusions

- 9.1. Overall Q4 25/26 shows reasonable performance in achieving The Shropshire Plan and its objectives, with 77% of the 31 newly updated indicators this quarter meeting or exceeding their target.
- 9.2. The new performance framework proposed will provide a basis for reporting progress and impact against the Corporate Plan 2026-30 priority ambitions.

List of Background Papers

N/A

Appendices

Appendix 1. Shropshire Plan Q4 performance – Improvement and Exceptions commentary

Appendix 2: The Corporate Plan Performance Management Framework

Appendix 3. The Corporate Plan Performance Framework

(a) suite of KPIs

(b) delivery commitments for 2026/27

APPENDIX 1: Shropshire Plan 2025/26 Q4 performance – Improvement and Exceptions commentary

Q4 2025/26 Key improvements

HEc18 - Reduction of households in B&B accommodation. The number of households living in B&B accommodation more than halved between September to December 2025, reducing from 100 to 40 households. We continue to show a sustained reduction this quarter, with 36 households in B&B accommodation attributable to strengthening homelessness prevention activity and increasing access to more suitable temporary accommodation. A great achievement by Shropshire’s Housing team.

HP3- Percentage of high-risk businesses, subject to a planned inspection, which were inspected to ensure compliance. This KPI relates to high risk food business inspections (Cat A and B). We have successfully completed 100% of inspections at the end of Q4.

HP8a - School readiness: percentage of children achieving a good level of development at the end of Reception. In 2024/25, more than two thirds (68%) of children in Shropshire achieved a good level of development at the end of reception, similar to nationally (68%) and regionally (67%).

Q4 2025/26 Exceptions

There are 7 exceptions reported in Quarter 4 2025/26:

- 3 KPIs continue to be exceptions this quarter:
 - EHCPs issues within 20 weeks (HP31)
 - Responding to FOIs within statutory timescales (HO17)
 - Staff sickness - Average number of days lost to staff sickness (HO13)
- 4 KPIs are new exceptions this quarter:
 - School readiness- % of children with free school meal status achieving good level of development at the end of reception (HP8b)
 - % household waste sent for reuse, recycling and composting (HEn6)
 - Maintaining 5-year housing land supply (HEc15)
 - Data breaches reported to the Information Commissioner (HO19) – the target remains zero. However, where breaches do occur, timely reporting is essential and supports effective risk management. While incidents can arise in practice, the Council’s aim is to keep these to a minimum and as close to zero as possible.

Modified	Indicator Name	Latest	Shropshire	Target	On Target?	Indicator Trend
30/04/2026	(NEW) HP8b - B02a - School Readiness: percentage of children with free school meal status achieving a good level of development at the end of Reception	2024/25	43.7%	48.8%	▶	
23/04/2026	(NEW) HP31 - % of Educational Health Care Plans (EHCP) issued within 20 weeks (exc exceptions)	Mar-26	26%	50%	▶	
06/05/2026	(NEW) HO19 - Number of data breaches reported to the Information Commissioner	Mar-26	3	-	▶	
06/05/2026	(NEW) HO17 - Responding to Freedom of information Requests within statutory timescales (20 working days)	Mar-26	70%	100%	▶	
30/04/2026	(NEW) HO13 - Average number of days lost to sickness absence per year	Mar-26	11.69	8	▶	
22/04/2026	(NEW) HEn6 - % of household waste sent for re-use, recycling and composting	Dec-25	47.4%	52.6%	▶	
23/04/2026	(NEW) HEc15 - Maintaining 5-year housing land supply	Mar-25	4.7	5	▶	

(Source: [The Shropshire Plan Performance Dashboard](#))

Detail on each exception and the reasons are reported below.

Shropshire Plan 2025/26 Q4 performance – Exceptions commentary

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





Continuing exceptions




KPI No.	KPI name	Q3 2025/26	Q4 2025/26	Progress update from Council officers
HP31	% of EHCPs issued within 20 weeks (excl. exceptions)	●	●	As of March 2026, 26% of EHCP's were issues within 20 weeks, not meeting the target of 50% however a significant improvement from 13.0% last quarter. The consistent inability to achieve the KPI has been recognised by SLT and a 6-month recovery plan is now in place, effect from 1st May 2026. To support sustainability of the ambitious recovery project, a growth model has also been agreed. This includes increasing number of Case Officers from 12 to 23 across the team and with the additional support of an integrated Business Support service, with growth shown in this area too. There will be an additional 5.5 FTE staff to support with processes aligned to the statutory assessment process – Education Health Care Needs Assessment (EHCNA).
HO13	Average number of days lost to sickness absence per year	●	●	Sickness absence in Quarter 4 increased compared with Quarter 3, rising from 10.97 days to 11.69 days. Days lost due to coughs, colds and influenza increased further, consistent with seasonal trends. However, overall days lost across all absence categories were uncharacteristically high and exceeded the Quarter 4 position in each of the previous two years (Q4 2024/25: 10.9 days; Q4 2023/24: 10.2 days). Absence attributable to stress remained broadly stable compared with the previous quarter, with a slight increase in days lost and continuing to account for approximately 30% of all absence. Musculoskeletal-related absence was also broadly unchanged. The year-end position for sickness absence is 10.7 days lost per FTE. This is marginally higher than the previous year, but slightly below the forecast. Sickness absence is recognised as a corporate priority and work is underway to strengthen absence management, including advice, tools and improved monitoring.
HO17	Responding to FOIs within statutory timescales (20 working days)	●	●	Overall compliance improved from 63% in Quarter 3 (October–November) to 70% in Quarter 4 (January–March 2026). This remains below the 100% statutory target. To streamline the process and reduce unnecessary escalation, the Information Governance Team (IGT) has issued FOI requests directly to the responsible service areas, rather than copying in Service Directors and PAs. Service Director sign-off is now required only in exceptional circumstances, as determined locally. Implementation has been affected by organisational change; however, arrangements are becoming more embedded. Work to strengthen awareness and guidance is being progressed through the New Operating Model agreed by Leadership Board on 7 October 2025. An awareness workshop was delivered to the Senior Leadership Forum in December 2025, attended by around 40 colleagues. Feedback was positive and further sessions can be arranged as required.

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				<p>Service areas are being encouraged to publish information proactively where requests are frequent or where increased local interest is anticipated, to reduce avoidable FOI demand.</p> <p>IGT is engaging with service areas where compliance remains challenging to provide targeted support, including clarification of applicable exemptions and options for publishing information that is routinely requested. The new IG Extranet is now live, with additional guidance resources to be added in due course.</p>
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New exceptions this quarter

KPI No.	KPI name	Q3 2025/26	Q4 2025/26	Progress update from Council officers
HEc15	Maintaining 5-year housing land supply			<p>The five-year housing land supply position reduced from 5.9 years to 4.6 years quarter-on-quarter, falling below the target of 5.0 years.</p> <p>The Shropshire Council Five Year Housing Land Supply Statement (base date 31 March 2025) has recently been published. The Statement sets out the Council's assessment of housing land supply for the five-year period 2025/26 to 2029/30.</p> <p>As the strategic policies establishing the housing requirement in the adopted Development Plan are more than five years old, the assessment has been undertaken with reference to local housing need as calculated using the Government's standard methodology. For Shropshire, this results in an assessed local housing need of 2,030 dwellings per annum.</p> <p>The housing land supply assessment has been completed using a cautious and robust methodology, having due regard to Government policy and guidance.</p> <p>The assessment concludes that Shropshire currently has 4.61 years' supply of deliverable housing land. On this basis, the Council is currently unable to demonstrate a five-year housing land supply.</p>
HP8b	School Readiness: percentage of children with free school meal status achieving a good level of development at the end of Reception			<p>School readiness at the end of reception for children with free school meal status declined from 47.1% in 2023/24 to 43.7% in 2024/25. This is below the national average (51.3%) and below the average for our regional neighbours (53.6%), and remains below the local target of 48.8%. In March 2026, the Department for Education (DfE) requested the nomination of a Best Start in Life Family Hub site. Sunflower House has been submitted as the interim nominated site to meet this requirement. DfE has been advised that this designation may change as the local delivery model is finalised. Planning is underway to deliver the funded Home Learning Environment (HLE) groups, which form a statutory requirement of the Best Start in Life (BSIL) programme. Delivery will be undertaken through existing teams. Options are being explored to identify additional BSIL hub locations, to improve access and reach across communities. A Cabinet report is scheduled for June to review current arrangements, with the aim of ensuring capacity and governance are aligned to maximise support for children and families. The delivery model engages voluntary and community sector partners to support HLE and parenting provision within local communities, operating through a hub-and-spoke approach to maximise reach and accessibility. Delivery is being aligned with health and social care partners to ensure integrated, multi-disciplinary teams are located within hubs,</p>

				<p>supporting early identification of need and timely intervention. The Shropshire Early Years Team is prioritising support visits to settings with lower-than-expected Good Level of Development (GLD) outcomes.</p> <p>Early Years Foundation Stage (EYFS) profile sessions are being delivered to support settings to strengthen assessment and moderation, in line with new DfE guidance.</p>
HEn6	% Household waste sent for re-use, recycling and composting			<p>This indicator is reported one quarter in arrears. The recycling, reuse and composting rate decreased quarter-on-quarter from 52.8% to 47.4% and is now below the target of 52.6%. The position is broadly consistent with the same quarter last year and reflects the impact of a particularly wet winter, which reduced volumes of green garden waste. This has compounded the reduction observed following the introduction of the subscription service and the discontinuation of food waste collections. Reduced green waste (and previously mixed green and food waste) remains the principal driver of the lower recycling and composting rate. For context, in Q4 2023 the Council collected a combined 10,277.9 tonnes of green and food waste. In Q4 2024, following service changes, 7,361.2 tonnes of green waste were collected; in the latest quarter, this reduced further to 6,797.6 tonnes. The ongoing impact of service changes alongside weather conditions is therefore reflected in the reduced recycling and composting rate.</p>
HO19	Number of data breaches reported to the Information Commissioner	-		<p>In Quarter 4, three data breaches were recorded. The target is 0 breaches and 0 incidents reportable to the Information Commissioner's Office (ICO). It is recognised that a zero-breach target is challenging; however, it provides a clear statement of the Council's risk appetite and expectation.</p> <p>Actions underway to reduce incidents and strengthen compliance include:</p> <ul style="list-style-type: none"> • Intranet advice and guidance were updated in 2025, including a team briefing sheet. • The IG Extranet will include manager toolkits to support regular reinforcement of data protection in team meetings, particularly in areas with higher incident volumes. • IGT offers to attend team meetings to provide advice and address recurring issues. • Revised Data Protection and Cyber Awareness training was implemented from December 2025. • The IG Extranet will include 'Toolkits' for manager that asks them to include the topic on team meetings especially if their areas experience a high number of incidents. • IGT offers to attend team meetings and discuss any issues where areas are experiencing a high number of incidents • New and improved Data Protection and Cyber Awareness training was implemented from December 2025. <p>IGT is also engaging with key enabling services (for example, business support teams) to ensure incident reporting routes are understood and that prompt corrective action is taken to minimise impact.</p>


				Data breach statistics are currently reported quarterly to IGLOO. More frequent reporting to Service Directors (on a monthly basis) is intended, but implementation has been delayed due to staffing capacity within the team.
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Last quarter exceptions- progress update

KPI No.	KPI name	Q3 2025/26	Q4 2025/26	Progress update from Council officers
HP3	Percentage of high risk businesses, subject to a planned inspection, which were inspected to ensure compliance			This KPI relates to high risk food business inspections (Cat A and B). High risk food hygiene performance shows we have completed 57% of inspections at the end of Q3. The statutory target of 100% has now been achieved.
HEc2	Reduce the workplace pay gap with the national average by 50% by 2027 (Annual figure)		-	Annually reported, no new data.
HP6	Reception: Prevalence of overweight (including obesity) – C09a		-	Annually reported, no new data.
HP7	Year 6: Prevalence of overweight (including obesity)- C09b		-	Annually reported, no new data.
HO1	Number of compliments		-	No new data this quarter

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APPENDIX 2: CORPORATE PLAN 2026-2030 PERFORMANCE FRAMEWORK



Performance Management Framework

Alongside this new Corporate Plan, a strengthened Performance Management Framework is being developed to ensure everyone in the organisation is working towards the ambitions set out in the Corporate Plan, our Improvement Plan, and our aim of financial sustainability.

The key features of the Performance Management Framework are:

- **Key Performance Indicators (KPIs):** A set of KPIs helps demonstrate the outcomes we are trying to improve and the progress and impact we are making. These will draw on the nationally set Local Outcomes Framework (LOF) as well as including other measures we identify locally.
- **Monitoring and reporting:** Quarterly reporting to Cabinet and Overview and Scrutiny Committees against the Corporate Plan KPIs. Additionally, we will produce an *Annual Review Report* summarising delivery and impact against the Corporate Plan priorities.
- **Annual review of what we will focus on:** Will enable an agile response to changes and developments that require amendments to our priorities, ensuring that what we are focusing on aligns to the financial sustainability of the Council.
- **Business and Budget Planning:** Directorates and service areas produce a Service Plan, setting out their contribution to the delivery of the Corporate Plan
- **Performance Development Reviews (PDRs):** ensures a clear link between individual objectives, directorate/service plans and the Corporate Plan, Improvement Plan and Financial Plan. This is the 'golden thread' (figure 3) which enables staff to understand how they contribute to delivering the council's overall priorities.

Making sure we deliver

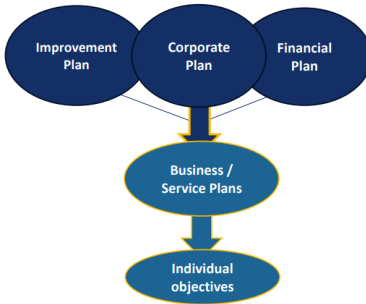



Figure 3: The 'Golden Thread'

Communication and engagement

Regular communication on the plan and progress and impact will take place to ensure that staff and Members are kept up to date. This will keep the delivery of the plan firmly in focus and partners and residents will also be kept informed about the delivery of the plan.

There will be ongoing engagement with staff as the plan rolls out which will form part of the Council's redeveloped staff engagement approach. There will also be engagement as appropriate and required with residents and those who receive services as projects to deliver the plan are implemented.

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A strong performance framework is layered, with each level serving a different purpose, and a different audience. Strategy flows down, delivery flows up, and accountability runs through.

The framework moves from priorities and outcomes at the top (priorities describe what the Council is focusing on, while outcomes describe the difference that focus is intended to make for residents and communities), to delivery in the middle, to day-to-day management and individual contribution at the base – ensuring everyone is working towards the same goals and pulling in same direction.

There are deliberately fewer KPIs at the corporate level and progressively more detail at operational level further down – all linked by the golden thread .

Layers of Performance



The golden thread

APPENDIX 3: CORPORATE PLAN 2026-30 PERFORMANCE FRAMEWORK – KPI AND DELIVERY COMMITMENTS

Proposed Key Performance Indicators (KPIs):

Priority Ambition	KPI	Alignment	Frequency of data	Rationale	Source
A financially sustainable council with clear priorities and purpose, and a workforce that is supported to excel (7 KPIs)	Council's Reliance on Exceptional Financial Support (EFS)	New	Annual	Demonstrates increasing sustainability	Internal Council Data
	Financial sustainability: In-year revenue outturn variance against approved budget	Previous KPI	Quarterly	Demonstrates financial control	Internal Council Data
	Complaints: <ol style="list-style-type: none"> 1. Number of Complaints Received 2. Percent of Complaints Resolved within 15 Days 3. Percent of Complaints upheld by Ombudsman 	Previous KPI New New	Quarterly	Acts as an organisation-wide barometer of resident experience and highlights systemic service issues.	Internal Council Data
	Income collection rate: <ol style="list-style-type: none"> 1. council tax 2. business rates 	New	Quarterly	Supports financial sustainability by showing how effectively the council collects income owed.	Internal Council Data
	Staff engagement/perception (Pulse Survey measures): <ol style="list-style-type: none"> 1. % of staff that understand how they contribute to delivering Council priorities 2. % of staff that are proud to work for Shropshire Council 3. % of staff that feel valued in their role at Shropshire Council 4. % of staff that feel empowered working for Shropshire Council 	New	Bi-annual	Measures workforce engagement and organisational culture, which underpin delivery of all priorities.	Internal Council Data
	Freedom of Information: <ol style="list-style-type: none"> 1. Number of FOIs overdue 2. FOIs timeliness within statutory target (%- two months arrears) 	Previous KPI	Quarterly	Measurement of corporate governance	Internal Council Data
	Staff absence - average lost days per FTE	Previous KPI	Quarterly	Measure of staff health and well-being	Internal Council Data

Communities are connected by well-maintained roads, accessible transport, and infrastructure (7 KPIs)	Road condition: Percentage of local authority motorways and A roads that should be considered for maintenance, split by road type (motorways and A roads; B and C roads; unclassified roads)	LOF & Previous KPI	Annual	Strategic measure of long-term infrastructure health and investment need.	Department for Transport Road Conditions Statistics
	Average number of bus journeys made per resident in a local authority area	LOF	Annual	Indicates accessibility, viability, and usage of public transport, especially in rural areas.	Department for Transport, Bus Statistics
	Percentage change in bus service mileage year-on-year - (this metric measures whether bus services are expanding or falling each year-passenger journeys or distance travelled or bus distances travelled)	LOF	Annual	Shows whether public transport provision is expanding or contracting.	Department for Transport, Bus Statistics
	Connectivity score for public transport to key services	LOF	Annual	Place-based measure of residents' ability to access employment, health and education.	Department for Transport Connectivity Tool, Connectivity Score: Overall (public transport)
	Killed or seriously injured casualties per billion vehicle miles - Rate of KSI (HP36)	LOF & Previous KPI	Quarterly	Core public safety outcome reflecting effectiveness of road safety interventions.	Office for Health Improvement & Disparities (OHID), Public Health Outcomes Framework
	% of adults engaging in active travel at least twice in last 28 days	LOF	Annual	Links transport, health, climate and prevention agendas at a corporate level.	Sport England Active Lives Survey
	Public EV charging points per 100,000 population	LOF	Annual	Tracks progress in enabling low-carbon transport and supporting climate commitments.	Department for Transport Electric Vehicle charging infrastructure statistics

Safe
inclusive
places with
home that
meet
people's
needs (10
KPIs)

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% of people experiencing loneliness	LOF	Annual	Corporate wellbeing indicator linked to prevention, independence and community resilience.	Department for Culture, Media and Sport, Community Lifestyle Survey
% satisfied with their local area as a place to live	LOF	Annual	High-level place outcome reflecting housing, services, safety and environment.	Department for Culture, Media and Sport, Community Lifestyle Survey
% who feel they can influence local decisions	LOF	Annual	Measures civic engagement, inclusion and democratic trust.	Department for Culture, Media and Sport, Community Lifestyle Survey
Anti-social behaviour incidents per 1,000	LOF	Quarterly	Strategic indicator of community safety and quality of life.	West Mercia Police Data
Crime incidents -responsibilities under the Serious Violence Duty and through their statutory role in leading Community Safety Partnerships (CSPs)	LOF	Quarterly	Provides oversight of public safety and partnership effectiveness.	West Mercia Police Data
Housing supply (affordable homes completions - Developing new homes or agreed LOF measure)	LOF & Previous KPI	Quarterly	Measures progress against Local Plan ambitions and housing pressures.	Ministry of Housing, Communities and Local Government, Live tables on affordable housing supply
% of duties owed where homelessness was prevented or relieved	LOF	Quarterly	Indicates effectiveness of early intervention and housing prevention.	Ministry of Housing, Communities and Local Government, Statutory homelessness live tables, Percentage of duties owed where homelessness was prevented or relieved

<p>Use of unsuitable temporary accommodation: Percentage of households with children placed in B&B accommodation for longer than 6 weeks.</p>	<p>LOF & Previous KPI</p>	<p>Quarterly</p>	<p>It is a system-level indicator of how effectively the council is securing suitable temporary accommodation and reducing reliance on B&B provision. Corporate risk indicator linked to cost control, safeguarding and statutory duties.</p>	<p>Ministry of Housing, Communities and Local Government, Statutory homelessness live tables, Households in temporary accommodation- Bed and breakfast hotels - total with children and resident more than 6 weeks</p>
<p>% of local authority-owned housing deemed decent</p>	<p>LOF</p>	<p>Annual</p>	<p>Assures quality and safety of council housing stock.</p>	<p>Ministry of Housing, Communities and Local Government, Local Authority Housing Statistics</p>
<p>% of private rental housing deemed decent</p>	<p>LOF</p>	<p>Annual</p>	<p>Shows influence over wider housing quality beyond council-owned homes.</p>	<p>Ministry of Housing, Communities and Local Government, Local Authority Housing Statistics</p>
<p>Planning applications- major, minor and other- number of application decisions</p>	<p>Previous KPI</p>	<p>Quarterly</p>	<p>Shows our local economic / housing development activity.</p>	<p>Local Council Data</p>

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 Everyone has the opportunity to be healthy and thrive at every stage of life (15 KPIs)

% of people who receive long-term support who live in their home or with family (ASCOF)	LOF	Quarterly	Core adult social care outcome evidencing independence and prevention.	Department for Health and Social Care, Measures from the Adult Social Care Outcomes Framework, ASCOF 2E
Permanent admissions to residential and nursing care homes, per 100,000 population aged 65 and over (ASCOF)	Previous KPI	Quarterly	Tracks system pressure and effectiveness of community-based support.	Department for Health and Social Care, Measures from the Adult Social Care Outcomes Framework, ASCOF 2B
Overall satisfaction of people who use services with their care and support (ASCOF)	LOF	Quarterly	Captures lived experience of people using adult social care services.	Department for Health and Social Care, Measures from the Adult Social Care Outcomes Framework, ASCOF 1D
% of section 42 safeguarding enquiries where a risk was identified, and the reported outcome was that the risk was identified, and the reported outcome was that this risk was reduced or removed	LOF	Quarterly	Provides assurance that safeguarding arrangements are effective.	Department for Health and Social Care, Measures from the Adult Social Care Outcomes Framework, ASCOF 4B
% of people with a learning disability living independently (own home or family)	Previous KPI	Quarterly	Measures inclusion, independence and equality outcomes.	Department for Health and Social Care, Measures from the Adult Social Care Outcomes Framework, ASCOF 2E (2B)
% of people who received reablement with no further support required	LOF	Quarterly	Demonstrates effectiveness of short-term interventions.	Department for Health and Social Care, Measures from the Adult Social Care Outcomes Framework, ASCOF 2A
Healthy life expectancy at birth	LOF & Previous KPI	Annual	High-level summary of overall population health outcomes.	Office for National Statistics, Health and life expectancy at birth
Slope index of inequality in life expectancy	LOF	Annual	Measures whether health inequalities are widening or narrowing.	Office for Health Improvement & Disparities (OHID), Public Health Outcomes Framework, Inequalities

					in life expectancy at birth
	Child health: Percentage achieving good level of development at 2-2.5 year review	LOF & Previous KPI	Quarterly		Office for Health Improvement & Disparities (OHID), Child development outcomes at 2 to 2 and a half years
Page 69	Year 6 obesity prevalence	LOF & Previous KPI	Annual	Early indicator of future health inequalities and prevention needs.	Office for Health Improvement and Disparities (OHID), Child obesity and excess weight
	Rate of children becoming looked after	LOF & Previous KPI	Quarterly	Strategic indicator of safeguarding pressure and family support effectiveness.	Department for Education, Children Looked after by Local Authorities in England
	Repeat child protection plans (%)	LOF	Quarterly	Shows sustainability and impact of earlier safeguarding interventions.	Department for Education, Children in need and child protection
	% of care leavers in education, employment or training	LOF	Quarterly	Long-term outcome reflecting successful transition to adulthood.	Department for Education, Children Looked after by Local Authorities in England
	% of EHCPs issued within 20 weeks (Statutory outcome)	LOF & Previous KPI	Quarterly	Statutory compliance and inclusion measure for SEND.	Internal Council Data
	Special Educational Needs (SEN): Percentage of SEN children supported in mainstream schools	LOF	Quarterly	Directly aligns to priority focus area	Department for Education, Special Educational Needs in England

A protected and adaptive environment that harnesses our natural assets and promotes wellbeing (6 KPIs)

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% of household waste recycled, reused or composted	LOF & Previous KPI	Quarterly	Tracks environmental performance and public participation in sustainability.	Department for Environment, Food & Rural Affairs, Local authority collected waste management
% of local sites in positive conservation management	LOF	Annual	Aligns directly to priority on Delivering our statutory environmental duties including our Local Nature Recovery Strategy (LNRS)	Department for Environment, Food & Rural Affairs, Local sites in positive conservation management
Deaths attributable to particulate air pollution (particulate matter less than 2.5 micrometres in diameter)	LOF	Annual	Measures environmental quality, public health and inequality	Office for Health Improvement & Disparities (OHID), Public Health Outcomes Framework
% of food establishments broadly compliant	Previous KPI	Quarterly	Public protection indicator linked to resident safety.	Food Standards Agency Website
Environmental permit inspections assessed as low risk (%)	Previous KPI	Quarterly	Assures regulatory compliance and environmental risk control.	Local Council Data
Access to green and blue spaces	LOF	Annual	Links environment, health and wellbeing at place level.	Department for Environment, Food and Rural Affairs, Access to Nature Statistics

<p>A fair, dynamic and inclusive economy that benefits everyone (6 KPIs)</p> <p>Page 71</p>	Employment rate (16–64)	LOF & Previous KPI	Annual	Headline indicator of economic participation and inclusion.	Office for National Statistics Annual Population Survey
	18–24-year-olds in education or employment	LOF	Quarterly	Measures future workforce readiness and opportunity for young people.	Office for National Statistics Annual Population Survey
	Skills Disparity: % of working-age population qualified to Regulated Qualifications Framework Level 4+	LOF & Previous KPI	Annual	Shows skills capacity to support economic growth.	Office for National Statistics Annual Population Survey
	Births of new enterprises	LOF	Annual	Proxy for business confidence and economic dynamism.	Office for National Statistics, Business Demography
	Gross median weekly pay	LOF	Annual	Reflects productivity, income levels and affordability pressures.	Office for National Statistics, Annual Survey of Hours and Earnings (resident-based)
	% of premises with gigabit-capable broadband	LOF & Previous KPI	Bi-annual	Measures digital infrastructure readiness for growth and service access.	Ofcom, Connected Nations

APPENDIX 3B: Delivery commitments for 2026/27

The following sets out specific, measurable activities to be delivered during 2026/27, aligned with the priorities (what we will focus on) identified in the Corporate Plan and supporting the achievement of our key ambitions. It is not a comprehensive list of all Council activity; rather, it focuses on the activity that will enhance the effectiveness, efficiency and value for money of our statutory service delivery and overall organisation. Quarterly monitoring and an annual report will provide opportunities to demonstrate and evidence progress, delivery, performance and impact beyond the activities and KPIs outlined in this framework.

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Corporate Plan Delivery Commitments for 2026/27		Financially sustainable, etc	Connect communities	Safe and inclusive	Healthy and thrive	Environment and Well-being	Thriving economy
Continued delivery of the Improvement Plan, reporting progress and impact to the Improvement Board (ongoing)	✓						
A budget for 2027/28 and MTFP that reduces our reliance on EFS (by Feb 2027)	✓						
A new Commissioning, Procurement and Contract Management Strategy to deliver a consistent, compliant and outcomes-focused approach that improves value for money and resident outcomes. (June 2026)	✓						
A new council constitution (by December 2026)	✓						
Develop a customer charter that sets out how we work with residents and other customers (by December 2026)	✓						
Continued delivery of the People Plan to create a workforce that is supported and enabled to excel (ongoing)	✓						
Review of council relationship with Cornovii Development Limited (July 2026)	✓						
A single Children’s Transformation Programme that responds to national reforms (including Families First, Best Start in Life, Local Youth Transformation, Private Law Programme and SEND Reform) and helps to support the realisation of a 'child friendly' Shropshire (developed by June 2026)	✓		✓	✓			✓
An Adults Social Care transformation programme with an emphasis on prevent, reduce and delay, and flexible market options (developed by Sept 2026)	✓			✓			
A new Asset Strategy and Corporate Landlord function resetting how the Council’s property is governed and managed (developed by July 2026)	✓			✓		✓	
New digital and cyber strategies that enable council services that are joined up, efficient, simple and tailored to resident’s needs (July 2026)	✓						
A new Economic Growth Strategy that sets a clear direction for our economy to attract investment and deliver growth (by April 2027)	✓	✓	✓	✓	✓	✓	✓
An agreed approach to working with parish and town councils to deliver services and outcomes (by March 2027)	✓		✓	✓	✓	✓	
A proposed approach to a Shropshire Partnership (by November 2026)			✓	✓	✓	✓	✓

Corporate Plan Delivery Commitments for 2026/27		Financially sustainable, etc	Connect communities	Safe and inclusive	Healthy and thrive	Environment and Well-being	Thriving economy
A new Local Transport Plan (by March 2027)			✓	✓	✓	✓	✓
Develop and shape a new operating model for highways services (by March 2027)		✓	✓				
Review of in-house provider services (Adult Social Care) (June 2026)		✓					
Develop and implement a financially sustainable library service (by March 2027)		✓		✓	✓		
A new Highways Maintenance Strategy and Inspection Policy to align with new DfT funding criteria (June 2026)		✓	✓				✓
Continued focus and delivery of highways maintenance statutory responsibilities and investment in preventative maintenance (measured by road condition KPI)			✓				
A new Adult Social Care Strategy – outlining key priorities and operating model for adult social care (Oct 2026)		✓			✓		
Produce and consult on our draft Local Plan (by June 2027) having: <ul style="list-style-type: none"> • Completed a Green Belt Review (July 2026) • Commissioned a Strategic Housing Market Assessment (October 2026) • Delivered an Economic Development Needs Assessment (November 2026) • Undertaken site assessment / development options ready for consultation/allocation (December 2026) 			✓	✓	✓	✓	✓
An updated Housing Revenue Account Business Plan providing a framework for managing, maintaining and developing our council housing stock (September 2026)		✓		✓	✓		✓
Review of cultural service offers to ensure financially sustainable delivery (October 2026).		✓			✓	✓	
Increase the number of households where homelessness is prevented to start to reduce our use of temporary accommodation (ongoing, measured by KPI)		✓		✓	✓		✓
Publish an annual Community Infrastructure Levy (CIL) Strategy that provides clear direction for and increased utilisation of CIL funding (December 2026)		✓	✓	✓	✓	✓	✓
Review the Housing Allocations Policy and service in line with proposed national changes and timescales (December 2026)		✓		✓			
Agree policies to support and enable enforcement of the Renters’ Rights Act, improving housing quality and reducing homelessness pressures (June 2026)				✓	✓		✓
Develop a Housing Strategy (for consultation) aligning with the Local Plan development (December 2026)				✓	✓	✓	✓

Corporate Plan Delivery Commitments for 2026/27						
	Financially sustainable, etc	Connect communities	Safe and inclusive	Healthy and thrive	Environment and Well-being	Thriving economy
Strengthen Food Standards and Private Water Supplies delivery as part of our environmental health and protection services, in accordance with regulations. (ongoing)			✓	✓	✓	✓
Deliver (Year 1 of) the Local Area SEND Reform Plan including phase one of the Experts at Hand (by March 2027)			✓	✓		✓
A new Education Excellence Strategy which sets out how the council will support and guide the whole education system locally (July 2026)			✓			✓
A programme of accessible and inclusive sessions on economic abuse within the context of domestic abuse – enabling people to manage their finances (by March 2027)	✓		✓	✓		
Increase the proportion of premises in Shropshire with access to a gigabit capable broadband connection, working with broadband suppliers (measured by KPI)		✓	✓	✓	✓	✓
Expand community reuse/repair schemes and promote alternatives such as home composting for food and green waste to reduce household waste per household (by March 2027 measured by KPI).					✓	
Deliver 10 priority projects/sites (e.g. wetlands, hedgerows, green spaces) in line with our Local Nature Recovery Strategy (by March 2027)			✓		✓	
Deliver 10 new or improved access routes / green space schemes to improve access to green space and support wellbeing (by March 2027)		✓	✓	✓	✓	
Deliver and/or encourage energy efficiency improvements to 100 properties across Shropshire, prioritising rural, low-income and off gas (by March 2027)			✓	✓	✓	
Work with DWP to support families on benefits and reduce the impact of child poverty e.g. by expanding free school meals (by April 2027)			✓	✓		✓
Ensure sufficient nursery places to enable parents to access work (by April 2027)						
Continue to implement the Statutory Community Safety Strategy – including targeted plans focused on hot spot areas and working with communities to become safer places to live, work and visit (March 2027).			✓		✓	✓
Expand community-based wellbeing and prevention services into library and community hub spaces (March 2027)		✓	✓	✓		
Expand integrated neighbourhood working through Community & Family Hubs (Best Start in Life) and VCSE partners for priority areas aligned to statutory requirements (September 2026)			✓	✓		

Corporate Plan Delivery Commitments for 2026/27	Financially sustainable, etc	Connect communities	Safe and inclusive	Healthy and thrive	Environment and Well-being	Thriving economy
Re-commission our mandatory public health service contracts – including: <ul style="list-style-type: none"> community drug and alcohol services to provide support, treatment, and recovery options for individuals and their families struggling with substance use issues (from April 2027) 0-19 Healthy Child Programme to provide support for young people and their families (from April 2027) 	✓		✓	✓		✓
Deliver a refreshed Statutory Joint Health and Wellbeing Strategy (JHWBS) focusing on the Marmot principles, incorporating our inequalities and prevention plans and setting out the long-term vision for improving health and wellbeing (April 2027)	✓	✓	✓	✓	✓	✓
Work with partners to develop a system-wide strategic approach to neighbourhoods including neighbourhood health as part of the national mandate (December 2026).	✓		✓	✓		✓
Continue to develop and coordinate the Crisis Resilience Fund (CRF) delivery plan (ongoing)	✓		✓	✓		

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Finance & Improvement O&S Committee – 8th June

Cabinet – 10th June

Item

Public

Improvement Plan – Update

Responsible Officer:	Paul Clarke – Service Director, Strategy & Change
Email:	paul.clarke@shropshire.gov.uk
Cabinet Member (Portfolio Holder):	Cllr Heather Kidd - Leader

1. Synopsis

The Improvement Plan was approved by Full Council on 11th December 2025 as a single framework and overall plan for the Council’s improvement activity. It includes agreed aims and priorities that provide the basis for a range of activity, projects and programmes that respond to the financial emergency (declared by Cabinet on 10th September 2025), ensure immediate short-term stabilisation and recovery, and drive the development of a strategy for financial sustainability over the medium term.

This report provides a summary of the delivery, progress and impact driven by the Plan, including an updated response to the External Auditors ‘Statutory Recommendation’ issued in November 2025. The report also summarises how the Plan has been kept under regular review, and the reprioritising and revision of some programme activity to reflect delivery, changing circumstances and the next phase of improvement required.

2. Executive Summary

- 2.1. The Improvement Plan was developed in response to various external reports, including a Local Government Association (LGA) Corporate Peer Challenge and External Auditor Annual Audit Letter which made recommendations to address the financial position and improve other areas of how the Council operates, including corporate governance. It also provided a response to the ‘financial emergency’ declared by Cabinet in September 2025. The Plan was also informed by the Statutory ‘Best Value’ Guidance for councils which provides the characteristics of a well-functioning authority. We know there are areas to improve before we can confidently demonstrate excellence against all characteristics.
- 2.2. The Plan provides an overall strategy for improving how we operate and perform so that we deliver, enable, and influence outcomes for the county and its residents in the most effective, efficient and economical way. It is built around three overall aims:
 - A Council that is financially stable and sustainable
 - A Council that has clear priorities and purpose
 - A Council that supports its workforce to excel

- 2.3. The Plan has provided the overall framework and basis for activity and plans that have delivered immediate recovery and stabilisation while keeping a focus on how we need to look, feel and operate as an organisation, to deliver future priority ambitions. It remains an essential part of our overall ‘flightpath’ to financial sustainability – driving improvement in organisational capacity and capability and building the solid foundations and basis for a medium-term strategy.
- 2.4. The priority programmes listed below are described in more detail at **Appendix 1**. They are a mix of activity being delivered and projects that drive the development of a coherent and strategic basis for what we do and focus on as a Council. For example, Programme 4 has been about the development of a new Corporate Plan. Programme 6 is focussed on the development of a medium-term transformation and savings portfolio.

Aim	Priority activity/project/programme
A council that is financially stable and sustainable (Pounds)	Programme 1: Financial Stability
	Programme 2: Financial Sustainability Strategy
	Programme 3: Strengthening financial management
A Council that has clear priorities and purpose (Priorities)	Programme 4: Corporate Plan 2026-30
	Programme 5: Future Council – including: 5.1 Future council principles and ways of working 5.2 Devolution to parish/town councils 5.3 Place shaping role
	Programme 6: Review and realignment of the transformation programme
A council that supports and enables our workforce to excel (People)	Programme 7: People Plan
	Programme 8: Getting the basics right (strengthening corporate governance and compliance)
	Programme 9: Digital programme

- 2.5. Delivery and progress have been overseen by an externally chaired Improvement Board, who since January have received a monthly update report. The Board has been in place since November 2025 and includes all political group leaders. Internally, monitoring and assurance, provided by the Corporate Programme Management Office (PMO), provides insight and confidence to review and refresh elements of the Plan to better reflect the delivery to date, current financial situation, changing circumstances and evolving organisational priorities. A summary of the arrangements in place to make sure we deliver the Plan are summarised in a [report](#) to the Audit and Governance Committee on 5th February 2026.
- 2.6. A summary of each programme and their key deliverables, outputs and outcomes is provided at **Appendix 1**. Overall, delivery against the Plan has progressed as planned, and there are some notable delivery milestones and delivered activity – including:
- the securing of Exceptional Financial Support (EFS)
 - development and approval of a robust and realistic budget 2026/27
 - strengthened financial management practices
 - corporate governance improvements and increased levels of compliance
 - piloting of devolution of services to parish/town councils
 - new people management practice – PDRs, and ‘role of the manager’ initiative
 - development of new ‘PROUD’ organisational values
 - improved staff communication and engagement approaches
 - development and approval of a new Corporate Plan 2026-30
 - new strategies – including digital, procurement and commissioning
 - additional leadership capacity (strategy and place)
 - new arrangements to facilitate political and managerial leadership discussion

- 2.7. There has been a range of activity across programmes that respond to the External Auditor statutory recommendation, which are summarised at **Appendix 2**. This includes strengthening understanding of budget requirements, budget planning and monitoring, and arrangements to support the development of robust savings proposals.
- 2.8. There have, inevitably, been some examples of timescales needing to change to better accommodate identified interdependencies, or where original timescales have proven to be too ambitious, or capacity requirements underestimated. Robust monitoring and regular reporting, including risk escalation, has informed early consideration and decisions on changes which have had no material impact on overall delivery and, in the main, have been planned amendments.
- 2.9. Given the purpose of the Improvement Plan and the challenges it is responding to, a lot of the activity driven by it in the first few months has focussed on developing new plans, practice and policy to build solid foundations for sustainable improvement and performance. The impact of those will not be immediately demonstrable through improvements in Key Performance Indicators (KPIs) or staff sentiment. There have nonetheless been some 'green shoots' which are captured at **Appendix 3**.

3. Recommendations

The Finance and Transformation O&S Committee is recommended to:

- 3.1. Note the report and the progress it summarises.
- 3.2. Provide observations and any recommendations through a verbal report by the Chair to Cabinet at their meeting on 10th June 2026.

The Cabinet is recommended to:

- 3.3. Note the report and the progress it summarises.
- 3.4. Provide guidance and instructions as appropriate on the Council's plans for continued improvement and financial sustainability.

4. Refreshing and revising the Plan

- 4.1 The Improvement Plan acknowledges that programmes and projects will need to change over time, and there are some areas of the Plan that now need to be refreshed to reflect delivery that has been completed, and the evolving context of the current financial situation and organisational priorities. Changes in the Council's leadership (e.g. Executive Director (Resources), Deputy Section 151 Officer, and Service Director for Place Shaping) have also prompted a review and refresh of some programme activity.
- 4.2 Some of the original programmes of activity are now largely delivered. Following the approval of the 2026/27 budget at the Council meeting on 26th February, and approval from MHCLG for Exceptional Financial Support (EFS), most aspects of Programme 1 (financial stability programme) have been delivered, and the focus is increasingly on strengthening financial management practice and policy and developing the financial sustainability strategy (Programmes 2 and 3). Programme 4 focussed on the development of a new Corporate Plan which was considered by Council on 14th May, with a proposed performance framework included on the Cabinet agenda for 10th June. On that basis it is considered as completed.
- 4.3 Programme 5, with an objective to develop the Council's partnership working approach has had an initial focus on piloting the devolution of services to parish and town councils. It now needs to expand its focus to include the development of a Shropshire Partnership, community engagement and involvement, stakeholder management and public affairs, and

the development of the spatial development strategy. **Appendix 4** summarises the proposed scope of the next iteration of programmes 1, 2, 3, and 5.

5. Risk Management

- 5.1. We need to remain aware of the context, circumstances and challenges that may constrain our progress and pace of change, including staff capacity, unplanned and new demands on the organisation, and global events. These all have the potential to divert focus away from improvement activity as well as impact on the costs of services and delivery, impacting on financial stability and sustainability. Examples of recent additional external demands on organisational capacity include the LGA Corporate Peer Challenge Progress Review, CIPFA assurance review, and SEND Reform Plan.
- 5.2. The risks identified when the Improvement Plan was approved remain. They continue to be managed and mitigated through the governance and assurance arrangements put in place and managed by the Programme Management Office (PMO):

Risk	Mitigation
Capacity and pace of delivery - Failure to deliver the improvement plan in a timely and effective manner due to capacity constraints	Realistic delivery arrangements confirmed by responsible lead senior officers and alignment of PMO resources Clear and consistent leadership setting out the direction, pace, outcomes and expectations of the change required. Accountability and responsibility clearly articulated and demonstrated, including through progress and impact reporting
Resourcing the plan - Inability to reallocate and invest in functions to support the delivery of the plan will lead to difficulties in delivering the improvement plan	The Financial Plan and Corporate Plan, together with the Improvement Plan, provide a coherent and strategic basis for resource deployment and prioritisation
Understanding and perception of change - Inability to maintain stakeholder confidence leading to reduced support for the improvement plan	Clear and timely internal and external communications and engagement that describes the process the Council is going through with open and honest descriptions of current progress while setting out the rationale for change and where the council is aiming to be in the future
Managing interdependencies across the plan - Failure to manage interdependencies across the improvement plan leading to disruption, duplication or failure in delivering the improvement plan	Governance and assurance arrangements (including portfolio boards and leadership board) identify interdependencies and determine prioritisation and sequencing of activity Changes in scope and timescales will be agreed through governance structures.

6. Financial Implications

- 6.1. Shropshire Council continues to manage unprecedented financial demands, and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented regularly reported to Cabinet. Significant management action has been instigated at all levels of the Council to reduce and remove any non-essential spending to help ensure the Council's financial sustainability.
- 6.2. Services must be aligned to the limited resources the Council has available whilst ensuring we deliver our statutory duties at the minimum statutory level. It is recognised that this involves some difficult decisions that need to be taken and communication with our stakeholders, including our residents, that is adequate and proportionate.

- 6.3. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial sustainability.

7. Climate Change Appraisal

- 7.1. Not applicable

8. Conclusions

- 8.1. The Improvement Plan continues to provide a framework for the Council's overall improvement and development as an organisation. Overall delivery is broadly in accordance with the Plan's priorities and timescales. There has been some notable delivery and impact driven by the Plan and its aims and priorities, including securing EFS, the development of a robust and realistic budget from 2026/27, and measurable improvements in corporate governance such as increased compliance with budget monitoring and FOI response times, and the strengthening of practice and policy.
- 8.2. Robust governance and assurance arrangements have helped to mitigate delivery slippage and inform considered and deliberate changes to activity and timescales. This has ensured overall delivery of the most fundamental activities and timescales to keep us on track in terms of our overall 'flightpath' to financial sustainability (see **Appendix 5**).
- 8.3. There is a need to refresh areas of the Plan to reflect delivery that has been completed, the evolving context of the current financial situation, organisational priorities and new managerial leadership.

List of Background Papers

Report to Transformation & Improvement O&S Committee (01/12/25), Cabinet (03/12/25) and Full Council (14/12/25): [Shropshire Council Improvement Plan](#)

Report to Audit & Governance Committee 05/02/26: [First Line Assurance - Improvement Plan Update](#)

LGA Corporate Peer Challenge Report

People Plan

External Auditor Annual Audit Letter

Appendices

Appendix 1: Improvement Plan Progress Summary

Appendix 2: Summary of response to External Auditor Statutory Recommendation

Appendix 3: Impact and improvements

Appendix 4: Next phase of programmes

Appendix 5: Flightpath to Financial Sustainability

APPENDIX 1: SUMMARY OF DELIVERY, PROGRESS AND IMPACT

GREEN	ON TRACK / DELIVERED
AMBER	SOME SLIPPAGE (PLANNED OR MANAGED)
RED	OFF TRACK (UNPLANNED OR NOT MITIGATED)
GREY	UNDER REVIEW / BEING REFRESHED

Aim: A council that is financially stable and sustainable

Overall summary: Planned activity to stabilise and recover the financial position has been delivered, culminating in a budget for 2026/27. A strategy for longer term financial sustainability has been outlined, and the plans to deliver that now need to be developed and built into the Medium-Term Financial Plan from 2027/28. Some of the activity delivered across these 3 programmes respond to the statutory recommendation issued by the External Auditor in November 2025 and is summarised in Appendix 2. There needs to be more activity focussed on improving our financial management practices, and a refreshed programme 2 (outlined at Appendix 3) is intended to address this.

Priority / Programme	Summary of activity and delivery	Impact: Outputs and Delivery	
Financial Stability	The programme has driven the implementation of a range of immediate and in-year (25/26) actions, measures and arrangements to contain expenditure in-year to reduce and minimise the projected year-end overspend. Extensive work was undertaken to develop an application for Exceptional Financial Support (EFS) including liaison with MHCLG resulting in confirmation of EFS for both 2025/26 and 2026/27. This enabled a budget for 2026/27 to be set at a level that provides short term stability and opportunity to 're-set'.	In-year controls to contain 25/26 overspend – including tighter grip on forecasted overspend towards the end of the year Capital Programme reviewed and rationalised EFS secured, and permission to increase Council Tax (above the permitted 4.99%), enabling budget for 2026/27 to be developed and approved	
Financial Sustainability	The programme has defined elements of the strategy to achieve the longer-term goal of financial sustainability and reduce the Council's reliance on EFS. The components of a financial sustainability strategy have been outlined in the Financial Plan (reported to cabinet and council), providing the basis for further work on the development of a Medium-Term Transformation and Savings Portfolio (through Improvement Plan Programme 6) which will be summarised in a revised MTFP to be considered at Cabinet in July 2026.	MTFP 2026/27 – 2029/30 developed and approved Financial Sustainability Strategy included in Financial Plan (reported to Cabinet 21/02/26 and Council 26/02/26)	
Strengthening financial management practice and policy	The programme has focussed on improving financial compliance across the organisation with an initial emphasis on strengthening policy, practice and approaches to procurement and contract management, and increasing compliance on budget monitoring. The focus on improving income collection and debt recovery has focussed initially on increasing capacity in Revenues and Benefits to enable increased collection and recovery. In terms of activity to improve financial management practices more widely, a more focussed programme led by the Deputy 151 is deemed necessary and has been developed as part of a revised programme (see Appendix 3).	New Procurement and Commissioning Strategies drafted (to be considered by Cabinet on 10/06/26) Improved compliance with budget monitoring (now at 95%, up from 40% in July 2025) Investment in the Revenues and Benefits service to increase capacity to collect income and recover debt	

AIM: A Council with clear priorities and purpose

Overall summary: Several distinct projects have helped developed elements of the council's role and purpose, supporting the shift in overall operating model from delivering to enabling and influencing. Planned activity to develop a new Corporate Plan and associated performance framework has been delivered as scheduled. The initial phase of activity to pilot the devolution of services to parish and town councils has been completed, with the focus now shifting to evaluation and learning that will inform the future approach, in parallel to exploring the appetite and potential opportunities for partnership working. Internally work has been undertaken to make the principles that will drive how we operate and transform as a council meaningful and embedded in day-to-day management. A portfolio of transformation and change programmes is being developed to deliver savings over the medium term as part of the council's overall financial sustainability strategy.

Priority / Programme	Summary of activity and delivery	Impact: Outputs and Outcomes	
Corporate Plan 2026-30	The programme has facilitated the development of a new Corporate Plan that is informed by the administrations' ambitions set out in the 'New Direction' and grounded in the Council's financial position and statutory responsibilities. A comprehensive programme of engagement (residents, partners, members, staff) has informed the development of the plan, along with data and insights. A Corporate Plan performance framework including KPIs and delivery commitments has also been developed and scheduled to be considered by Cabinet (10/06/26).	New Corporate Plan – approved by Cabinet (06/05/26) and Council (14/05/26) Corporate Plan performance framework including KPIs and delivery commitments developed	
Future Council: town and parish councils devo	The programme has driven the development and delivery of street scene service devolution deals with four town and parish councils. A new programme focussed on wider partnership (see Appendix 2) is in development. This wider programme will include a workstream focussed on further activity relating to the parish/town devolution pilot, ensuring that learning informs future approaches, and the appetite from parish and town councils is explored.	Pilots with different models of devolving the delivery of street scene services to Shrewsbury, Shifnal, Oswestry and Broseley. Full devolution to Shrewsbury and Broseley, partial devolution to Oswestry and a collaborative/enhanced model with Shifnal.	
Future Council: Principles	The programme has focussed on activity to develop ways to embed the 'future council' principles, so they guide how the council operates and provide a basis for its continued improvement and transformation.	Exploring our Principles workshop and four Embedding the Principles webinars have been delivered. Pilot of self-assessment framework is complete.	
Future Council: Place shaping	This programme was intended to focus on the developing the 'place shaping' role of the Council and development of a long-term vision, and economic growth strategy for the county. But the operating context for this programme has changed, partly due to the new Strategic Development Strategy (SDS) requirements, and the recent arrival of a Service Director for Place Shaping who will review and assess all activities to ensure alignment with the overall context and direction of an economic growth strategy.	New Service Director (Place Shaping) – appointed January, and started March 2026	

Transformation Programme	The focus of the programme has been to refresh the Council's transformation activity, so it is driven by the financial sustainability strategy (see prog 2) and delivers savings and income, as well as modernisation and improvement. An outline portfolio has been defined, but delivery plans and programmes need further developing at pace so there is confidence about the investment required to deliver (resources, capacity, external expertise), the timescales for delivery, and the return on investment – all of which need to be reflected in the Medium-Term Financial Plan. There has also been work undertaken to assess what is needed by the organisation from its PMO function, recognising it needs to focus on supporting and assuring the delivery of the Improvement Plan and transformation and savings portfolio.	Savings Programme for 2026/27 developed and being delivered A portfolio of transformation and savings across the medium term (2027/28 – 2029/30) is in development, with some elements in early delivery. An external 'health check' of the Programme Management Office (PMO) has been undertaken to inform the development of new PMO roles and arrangements that are aligned to the delivery of the Improvement Plan and Transformation portfolio.	
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Aim: A workforce that is supported and enabled to excel

Overall summary: The People Plan has provided a clear strategic basis for developing a high-performing, inclusive organisation where people feel valued, supported, and proud to work. There has been an initial focus on setting a strong foundation for improving management capability, strengthening alignment to organisational priorities, and enhancing the employee experience from entry through to development. Driven by the Statutory Officers Board, there has been a focus on reinforcing robust corporate standards and accountability through communications and monitoring. The digital programme continues to develop its priorities so it can be an enabler of the Council's wider transformation ambitions, supporting service redesign, and organisational improvement.

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Priority / Programme	Summary of activity and delivery	Impact: Outputs and Outcomes	
People Plan	The programme has seen activity focused on becoming an organisation where people are proud to work for and supported to perform to their best. The initial focus has been on developing a range of new practice that will better support managers ('role of the manager'), connect staff to council priorities (values, PDR process and staff engagement) and ensure new starters experience a strong and supportive introduction to the organisation.	New PROUD organisational values New corporate induction programme introduced New PDR process developed Role of the Manager initiative and guidance produced	
Getting the basics right (corporate governance)	The programme has been driven and overseen by a Statutory Officers Board (Chief Executive, Monitoring Officer, S151 Officer) and focussed on key aspects of corporate governance including responsiveness to FOIs and budget monitoring. Regular and clear communications to the organisation have helped clarify expectations and drive-up standards. A review of the Council's constitution is another key activity that is now underway but with different timescales to those originally proposed.	Statutory Officers Board established Improved performance and compliance – FOIs, budget monitoring Audit & Governance Committee training Review of constitution underway	
Digital Programme	The programme will be a key facet of the Council's transformation and savings portfolio, enabling the transformation proposed by Children's Services, Adult Social Care and the Assets and Corporate Landlord programme as well as supporting wider improvement and modernisation. The programme has focussed initially on setting the strategic basis for our digital improvement through a new Digital Strategy and Cyber Strategy.	New Digital strategy, providing the strategic basis for digital transformation across the organisation Identified initial priorities for digital transformation	

APPENDIX 2: EXTERNAL AUDITOR STATUTORY RECOMMENDATION RESPONSE

External Auditor Recommendation (November 2025)	Council response (as of April 2026)
<p>Statutory Recommendation The Council should:</p> <p>Continue, at pace, the action taken to address the financial challenges it faces, including an immediate review of all services (statutory and non-statutory) and identify the cost of minimum viable service provision to deliver statutory responsibilities.</p> <p>Understand the scale of the structural deficit between service cost and available income and identify immediate decisions and savings deliverable (replicating Section 114 response actions).</p> <p>Review all estimates and modelling feeding into the budget and MTFS to reduce/eliminate optimism bias.</p> <p>Develop a realistic medium-term plan on how Exceptional Financial Support (EFS) will increase financial resilience and how reliance on temporary support will be reduced.</p> <p>Immediately action Internal Audit recommendations on budget monitoring/reporting, with regular progress reporting to Audit & Governance Committee."</p>	<p>Spend control and budget monitoring improvements: Following the declaration of a financial emergency in September 2025, a range of immediate in-year spend control arrangements were put in place. This included a spend control board, workforce board and the strengthening of budget monitoring to contain and control in-year (25/26) spend. More recently a Business, Transformation and Change Review Panel has been introduced to ensure a greater visibility of how the organisation plans and controls its expenditure and achieves efficiencies and savings. Budget monitoring arrangements have also been strengthened further including:</p> <ul style="list-style-type: none"> ○ Extension of monitoring completion date to allow more detailed analysis of any variation ○ Formal sign-off of forecasts by budget holders to include narrative and highlighting risks ○ Monthly reporting to Leadership Board and quarterly to Cabinet. ○ Monitoring report has been simplified. <p>Compliance is monitored through statutory officers' group.</p> <p>Improvement Plan - focus on financial stability: An Improvement Plan was approved by full council on 11/12/25 including programmes focussed on financial stability. Delivery of the Plan is critical and a report to the Audit and Governance Committee in February 2026 provides a summary of the arrangements in place to ensure delivery: A&G Improvement Plan update February 2026. The externally chaired, and LGA supported, Shropshire Council Improvement Board (SCIB), holds the council to account for delivery and progress, and receives a monthly update on the Council's financial position.</p> <p>Understanding costs of service provision: Since 2023/24 a series of activity has been undertaken against both statutory and non-statutory service provision to understand costs and resourcing levels. This included a full review of statutory and non-statutory services across the Council by the senior leadership team between November 2023 and February 2024 – leading to a series of savings and cabinet decision papers to reduce or remove non statutory services, and review of workforce. More recently reviews supported by the LGA have taken place across the organisation, including benchmarking against other areas and baselining service levels – for example, Children's Services, Adult Social Care and Revenues and Benefits. There has also been some work undertaken for finance, legal services and regulatory services. A summary of this activity was presented to the SCIB on 16/02/26. Work will continue to review all spend across the Council through the Budget and Business Planning Process, and Business Transformation and Change Review Panel.</p> <p>Medium Term Financial Plan and Budget 2026/27: Analysis and engagement through Budget Oversight and Spend Strategy 'BOSS' meetings enabled an understanding of the scale of the structural deficit between service cost and available income to inform the EFS application and development of a budget for 2026/27 that is more realistic and removes optimism bias. This included reviewing and writing off some 2025/26 savings and putting growth into the 2026/27 budget. Full Council approved the 2026/27 Budget and MTFS in February 2026, which includes a commitment to develop a financial sustainability strategy. A refresh of MTFP will be completed and presented to cabinet/council in July 2026 including a summary of the transformation and change portfolio which is a key facet of the sustainability strategy.</p>

APPENDIX 3: Impact and Improvement

Indicators and ‘Green Shoots’

There have been improvements in corporate governance and compliance:

More budget holders are completing their budget monitoring on time. 95.1% of budget holders completed their budget monitoring on time in March 2026. This has improved from 40% compliance in July 2025.



We are responding to more FOI requests within 20 days. 68% of FOI requests received in March 2026 responded to within that timescale, compared to 59% in July 2025. Performance in February (77%) and January (69%) indicates a sustained improvement, although we need to improve further.



There have been improvements in staff satisfaction and sentiments:

Nearly three quarters of staff say they understand the council’s priorities. 71% of people who responded to the last Pulse Survey said they had a good understanding of the council’s priorities. 84% of respondents said they have a good understanding of their role and how the council expects them to undertake it.



More staff say they are feeling valued in their role and feel empowered working for the Council. While these are relatively modest increases from relatively low baselines, they suggest a positive direction of travel.



We are retaining more of our staff. The retention of new starters after 6 months is improving, with the latest figure being 95.2%. At the same time staff turnover is decreasing and latest figure is 6.08%.



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Things to stay focused on:

Our Key Performance Indicators and milestones suggest several areas we need to remain focused on:



Staff absence and productivity: Our levels of staff absence are not reducing. While there were some month-on-month reductions during the latter stages of 2025/26 (e.g. 15% reduction between January and February) the overall annual rate is similar to 2024/25.

Improvement Plan Programme 7 and People Plan will stay focused on this.



Compliance: While we have seen compliance with timescales and standards in terms of budget monitoring and FOI responses increase, there are other areas where improvement is needed – e.g. SARs, member enquiries and complaints handling. Compliance with new practice (see below) will need to be monitored to ensure it is embedded – e.g. new PDR approach

Improvement Plan Programme 8 will drive the next phase of compliance focus



Embedding new plans, practice and process: We know they need to be more than documents on a shelf. They need to direct what we do, guide how we operate, and ultimately enable what we deliver, enable and influence for the county and its residents.

Communications and briefings need to help embed new practice, and proportionate monitoring activity

APPENDIX 4: Next Phase of Improvement programmes

Programmes 1-3: Next phase

Following the budget approval for 2026/27 at the Council meeting on 26th February, and approval from MHCLG for EFS, most aspects of Programme 1 (financial stability programme) have been delivered, and the focus is increasingly on strengthening financial management practice and policy and developing the financial sustainability strategy (Programmes 2 and 3).

PREVIOUS

Programme	Description and Purpose
Financial Stability	A range of immediate and actions and arrangements to contain expenditure in-year to reduce and minimise the projected year-end overspend, improve financial monitoring and budget setting. The programme is also focussed on the development of the council's approach and route to financial stability including EFS and the development of a proposed balanced budget for 2026/27.
Financial Sustainability Strategy	Development of approach and strategy that outlines how the longer-term goal of financial sustainability will be achieved ensuring the Council 'lives within its means' and does not become reliant on EFS
Strengthening financial management practice and policy	A programme of actions to strengthen financial literacy and discipline across the organisation, including significantly strengthening the internal control environment. The programme will ensure improved financial compliance across the organisation through strengthened procurement and contract management practices, budget monitoring and forecasting, income collection and debt recovery.



NEW

Programme	Description and Purpose
Financial Sustainability	The development of a revised medium-term financial plan and financial sustainability strategy summarising the approaches the Council will take to reduce reliance on EFS and achieved financial sustainability
Strengthening financial management practice and policy	Development and delivery of a comprehensive finance improvement plan that strengthens financial literacy and discipline across the organisation, including strengthening monitoring, forecasting, income collection and debt recovery.
Improving procurement and commissioning	Continued delivery of the procurement and contract management improvement plan, and develop new commissioning and procurement strategies

Programme 5: Next phase

With the roll out of pilot service devolution arrangements on 01/04/26, the project focussed on developing our partnerships with town and parish councils is largely complete, with the recognition there needs to be a further phase of activity to focus on learning and the development of further opportunities – including ascertaining levels of interest and potential opportunities.

CURRENT PROGRAMME:

(ii) Developing our partnerships with town and parish Councils:

Carryout Overview and Scrutiny review into the opportunities and arrangements for local partnership working across three phases of work

1. The delegation of functions to Town and Parish Councils (T&PCs)
2. Potential groupings of local councils to deliver local priorities and outcomes
3. Options for local partnership working governance structures and arrangements

Identify and quantify potential initial opportunities for the delegation of functions to town and parish Council

Roll out programme of developing further opportunities and partnerships with town and parish councils (T&PCs)

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NEW PROGRAMME:

A new programme is being formed, to strengthen how the Council's enables and influences. This includes a project focused on the working with parish and town councils to deliver services and outcomes, along with other areas of partnership working - including:

Working with Town and Parish Councils

This project will drive, manage and oversee the delivery of post-pilot activity:

- Monitoring the pilot implementation
- Evaluation and review
- Data quality
- Ascertaining interest and potential for future opportunities
- Develop a standard operating model and approaches

Shropshire Partnership

This project will establish a clear understanding of the Council's current partnerships and identify where partnership working can most effectively support delivery of the Corporate Plan ambitions. It will also consider and develop proposals for the establishment of a Shropshire Partnership

Community engagement and involvement

This project will review existing engagement mechanisms and develop an improved strategic and coordinated approach to community engagement, supporting the ambitions to empower communities, build resilience and help reset our relationship with residents.

Stakeholder Management and Public Affairs

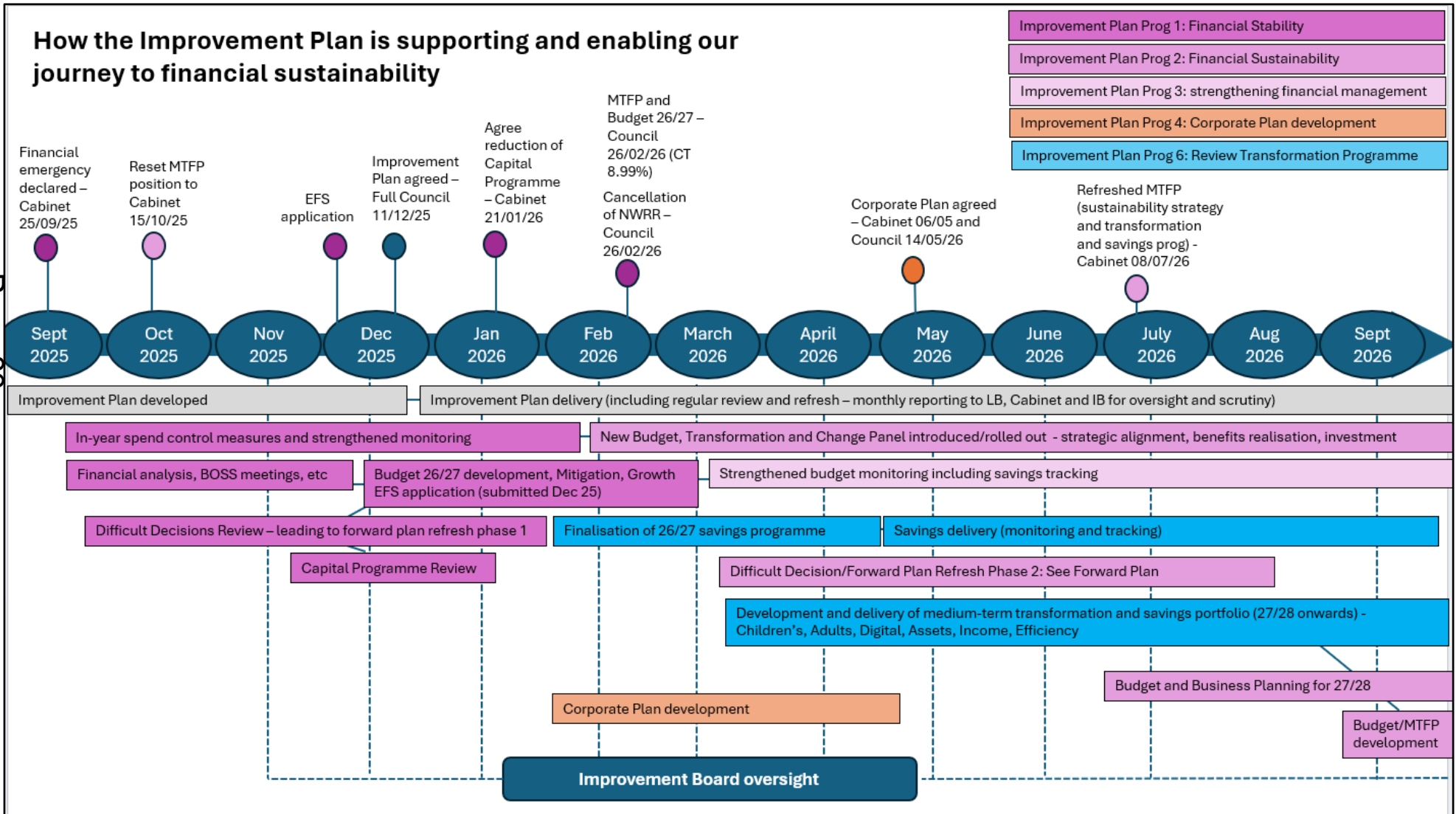
This project will strengthen understanding of key stakeholders and work with them on advocating for Shropshire. It will involve stakeholder mapping, relationship management and influencing through public affairs to support our financial sustainability strategy

Spatial Development Strategy

This project will lead, manage and oversee the development and adoption of a statutory SDS, providing a long-term strategic framework for cross-boundary planning, infrastructure alignment, and economic growth. It will ensure coordination across local authorities and partners and establish a shared evidence-based approach

APPENDIX 5: Our flightpath to financial sustainability

The Improvement Plan is instrumental in driving the development of plans, policy and practice that will support and enable our financial sustainability. The diagram below illustrates how some of the activity in the Plan is doing that.



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Committee and Date

Finance and Improvement Overview and Scrutiny Committee

8th June 2026

Item

Public

Organisational Transformation: lessons learned review

Responsible Officer:	Rachel Robinson	
email:	Rachel.robinson@shropshire.gov.uk	Tel: 01743 252003
Cabinet Member (Portfolio Holder):	Alex Wagner	

1. Synopsis

- 1.1. This report shares the findings of an independent review of the PwC Transformation Commission (2023-2025). The review was undertaken by Local Partnerships and focussed on the strategic purpose of the partnership with PwC, how the relationship was managed, and the extent to which it achieved the original objectives established. It provides a summary of the lessons that can be learned and guidance for how similar work could be managed in the future. The review will inform how the Councils future transformation and change portfolio is managed, including how any external support is commissioned. This report provides initial responses to some of the ‘critical’ and ‘essential’ observations made by Local Partnerships.
- 1.2. The review was primarily a forward-looking, collaborative exercise, aimed at identifying opportunities for improvement. It was not an audit, nor intended to apportion fault or blame. It involved examining programme documentation and conducting non-attributable interviews with stakeholders to understand delivery, risks, and issues.

2. Executive Summary

- 2.1. Aligned to the Shropshire Plan, the Council’s Transformation Programme was established in 2023 as a wide-ranging, strategically driven portfolio of projects designed to modernise services, deliver significant financial savings, and reshape the organisation for long-term sustainability. The Council engaged PwC as its ‘strategic transformation partner’ because it lacked the specialist capacity needed to deliver a large-scale change programme at pace. It required expert support to help identify and deliver more than £30 million in recurrent savings, redesign its organisational operating model, and undertake complex work on customer experience, commissioning, and third-party spend.
- 2.2. Working in partnership with PwC from March 2023, the Council pursued a programme of service reviews, digital modernisation, third-party spend reduction, and operating model redesign. The initial contract with PwC was for 12 months (March 2023–March 2024) with two optional 12-month extensions, both of which were exercised. Following the

early termination of the contract in September 2025, the Council's Improvement Board recommended a 'lessons learned' review be commissioned considering concerns about the overall impact of the programme and delivery of savings.

- 2.3. A review was commissioned as part of the LGA sector-led improvement support to the Council. The purpose of the review, undertaken by Local Partnerships, was to provide an independent and objective assessment of the way in which the contract was overseen so as to identify the lessons to be learned in commissioning and managing such an assignment and to offer constructive advice on how such work could be managed in the future. The review did not include a forensic financial analysis or technical commentary but provided an independent forward-looking, collaborative exercise, aimed at identifying opportunities for improvement and development.
- 2.4. The learning and recommendations from the review will inform how the Council manages its 'transformation and change' portfolio in the future – which is a key action within the Council's Improvement Plan, and a key facet of the Council's financial sustainability strategy. The review summarises fourteen lessons learned, including some identified as 'critical' or 'essential'. The initial response to those is summarised at section 5 of this report.

3. Recommendations

- 3.1. The Improvement Overview and Scrutiny Committee is recommended to:
- (a) Note the lessons learned and recommendations from the independent review, and the actions being taken to strengthen the approach to managing and overseeing transformation and change activity.
 - (b) Note the intention to report regularly to both this Committee and Cabinet about progress with the delivery of the Council's transformation and savings portfolio, ensuring appropriate oversight and scrutiny.

Report

4. Risk Assessment and Opportunities Appraisal

Risk	Mitigation
A lack of senior leadership oversight and awareness of the Council's transformation, change and improvement programme	The Leadership Board meet as a Transformation and Change Board monthly to review progress against the Improvement Plan and transformation projects. The Budget, Transformation Change and Review Panel (BTCRP) – comprising several members of the Leadership Board including the s151 Officer and Deputy Chief Executive - considers all major transformation proposals, and the investment and resources needed to deliver them.
Low visibility of the transformation, change and improvement programme and uncertainty about	The transformation and change portfolio will be monitored by the Corporate Programme Management Office (PMO) ensuring regular reporting of progress and

the progress and impact it is delivering particularly at a political and public level	benefits realisation. This information will be routinely presented to Leadership Board, Improvement Board, Scrutiny and Cabinet.
Poor compliance with commissioning and procurement best practice, rules and regulations	<p>Investment in the Procurement and Contract team. Update guidance on intranet on Procurement and compliance</p> <p>Procurement and Commissioning function to be sighted of, and involved in, any future commissioning of transformation support</p> <p>New Procurement and commissioning structure in place</p> <p>New Procurement and Commissioning Strategy to be taken to June Cabinet recognising it must be owned by all parts of the organisation</p> <p>Developing new gateway processes to have clarity of compliance and transparency.</p>
Realistic Savings Proposals	All major savings proposals are taken through the Budget, Transformation Change and Review Panel (BTCRP). Progress and agreed with service leads and finance. These are then monitored through a robust governance and benefits realisation process.

5. Responding to the lessons learned

- 5.1. It is important the Council draws on the lessons learned as it develops its refreshed transformation and savings portfolio as part of its Improvement Plan and Financial Sustainability Strategy. Work to develop the portfolio of programmes and projects is ongoing, but the approaches and arrangements currently being mobilised respond to the ‘critical’ and ‘essential’ lessons identified by Local Partnerships - include:

Critical / Essential Lesson Learned	Response
The decision to embark on any future transformation programme should be supported by a suitable business case. This should include an options appraisal of how the market is to be engaged (Commercial Case), Programme Managed (Management Case) and best value ensured (Economic Case)	All change and transformation proposals are considered by the <i>Budget, Transformation and Change Review Panel (BTCRP)</i> . The Panel assesses proposals on several criteria including alignment with the Council’s strategic priorities, complexity of delivery, benefits realisation and return on investment and intention. If agreed full business cases and delivery plans are developed.
Governance arrangements should ensure that a broader constituency of senior leaders are involved in key decision-making, in particular with regards to commercial management of the contract. Consideration should also be given to succession planning and continuity to long term transformation programme governance.	<p>The BTCRP involves several directors. There is also a monthly <i>Leadership Board (Transformation and Change)</i> meeting, providing an overview of all major transformation and change activities.</p> <p>The centralised Procurement and Commissioning function will oversee any commercial arrangements and includes an investment of Procurement team aiming to get the right skills and expertise to support the councils aims in the most cost effective way.</p> <p>A new contract management system will ensure that every contract has a contract owner with clear accountability for the monitoring of the contract. In addition, they will need to ensure that KPI’s are clear and concise and for large value contracts will have to evidence compliance, making it more</p>

	<p>visible to the organisation. Contract management training is also being planned across the organisation to upskill officers and ensure consistency and the right level of resource and time is spent in actively monitoring the contracts.</p> <p>There is greater ownership, visibility and oversight politically through cabinet and scrutiny committee and also with external partners through the Improvement Board.</p>
<p>Ensure future transformation programmes undergo regular assurance reviews to make sure strategic coherence is maintained through the lifetime of the programme.</p>	<p>The <i>Programme Management Office (PMO)</i> will monitor the realisation of benefits and the return on investment and intention throughout the life of programme or projects. Benefits and return on investment will be required for all programmes and projects as part of the new approach for agreeing change and transformation proposals. In addition, the council will make clear roles and responsibilities including contract management and oversight on delivery.</p>
<p>The council should consider applying more robust scrutiny to such commissions in future. This should include scrutiny by members and the use of Internal Audit.</p>	<p>Appropriate scrutiny arrangements will be considered should there be similar commissions in the future. This will include consideration of using Internal Audit to review major projects.</p> <p>All business cases for external consultancy support should be presented and to the commissioning delivery groups to offer additional layer of challenge prior to any commissioning activity; this will need procurement oversight.</p> <p>Further political oversight through the Finance and Improvement Overview and Scrutiny Committee and Cabinet routinely.</p>
<p>The council should ensure that future transformation programmes are embraced by the entire organisation, both officers and members, rather than just parts. It is suggested that this is achieved through active and visible senior leadership and effective communication.</p>	<p>There will be more visibility and communications of the transformation and change portfolio, as part of an overall Financial Sustainability Strategy. This has a refreshed transformation and change portfolio at its heart. All transformation programmes will go through the BTCRP and as appropriate discussed with portfolio lead member or at the One Shropshire Board which includes all Leadership board and cabinet members.</p> <p>All transformation programmes will have both PMO and senior leadership leads. In addition, each programme will have officer leads working alongside PMO, leadership and any external support with clear political oversight with a focus on transferring skills from commissioned delivers to staff.</p>
<p>The roles and responsibilities of the future transformation partner, project management office and the individual services need to be clearly defined prior to commencement.</p>	<p>Scoping documents will be in place developed with services, PMO and commissioners with contracts and governance making clear reference to responsible officers and senior leaders, alongside PMO support</p>
<p>The effective operation of the Finance function should be a critical success factor for future transformation programmes, with the Section 151 Officer, Finance staff and important financial management systems and processes at the heart of the programme.</p>	<p>Following on from the independent investigation work carried out by CIPFA on behalf of MHCLG, the work of the Corporate Peer Challenge (including their revisit) and requests from the new Chief Executive and Leadership Board, work is underway to review and to strengthen the finance function including the management of future transformation and other major projects.</p> <p>All transformation programmes and associated plans will need approval to proceed from the Budget, Transformation and Change Review Panel (BTCRP). The BTCRP membership includes the S151 Officer and Deputy.</p> <p>These approvals will represent (at least for the larger projects) the initial approval prior to Cabinet decision. Updates of the entire programme will be open and transparent and subject to</p>

	<p>regular reports to Cabinet and Overview and Scrutiny. Service Directors will provide briefings to Cabinet members and others as appropriate.</p> <p>As part of BTCRP approval, challenges will be made to ensure that proposals are properly costed and benefits clear, including the incidence of these costs. Proposals will have received prior scrutiny from Finance Business Partners (FBPs) before proceeding.</p>
<p>In undertaking digital transformation, the council should make sure it has the capability and capacity to.</p> <ul style="list-style-type: none"> • Understand the system technology experience • Be clear on what is required as an intelligent client on behalf of the organisation • Understand the adviser market and structure the procurement and partnership in a way that achieves value for money • Understand the capacity of departments to engage and that BAU is not a constant • Appreciate the difficult obligations that transformation brings in terms of re-designing processes that result in surplus staff. 	<p>A Digital Transformation Programme is being implemented as part of the Council's Improvement Plan (Programme 9), supported by the Digital Strategy 2026–2030. All digital, data and automation activity is now brought together into a single, prioritised programme, using a transparent framework that assesses statutory risk, financial impact, demand reduction, deliverability, dependencies and reputational sensitivity. This ensures the Council focuses its limited capacity on the most important activity and delivers a realistic, outcome-focused programme.</p> <p>In practice, this will result in simpler, more joined-up services for residents, with fewer forms, less repetition and faster decisions, reducing avoidable demand and cost. What is different is that transformation is now owned by services, supported by digital expertise, with clear accountability and measurable benefits for every initiative. All new commissioned activity will go through strengthened commissioning and procurement governance to ensure value for money and that the Council acts as an informed and effective client.</p> <p>All new commissioned activity will go through the commercial commissioning delivery groups which will ensure procurement advice on best route to market to maximise value for money.</p>
<p>The council should ensure that future transformation programmes are led by council officers forming a 'smart client' function. This should define the strategic direction of the programme, actively manage the 'delivery partner' and provide a visible lead on all communications to the entire organisation.</p>	<p>The strategic direction of the transformation and change portfolio is defined by the Council's Financial Sustainability Strategy and the future council principles set out in the Improvement Plan. New change and transformation proposals are considered by the BTCRP including their alignment with those principles and the overall Corporate Plan and strategic priorities of the Council.</p> <p>The Council is also supporting officers to look at service specifications and clarity on services needed and the monitoring of these services. Oversight of commissioning activity and risks will be reported into the new Commissioning and Programme Board chaired by the S151 Officer.</p>
<p>The on-going assessment of the status of realisable savings identified by PwC should be completed and confirmed by the council i.e. the savings implemented and accounted for in revenue budgets, the saving values agreed as realisable, accounted for in revenue budgets but not yet implemented, saving values agreed as realisable but awaiting action to implement and reflect in budgets.</p>	<p>The potential for savings in 2026/27 and further transformation opportunities has been explored across the organisation through a range of 'savings surgeries' to ascertain the status and understanding of revenue budgets and savings implementation, and a new Budget and Business Planning approach will explore additional savings opportunities including one-offs, recurrent and cost avoidance. Several facets of the PwC proposed savings are being pursued through the Digital Programme.</p>

6. Financial Implications

- 6.1. There are no financial implications arising directly from this report. It is however recognised that the Council requires an ongoing programme of transformation to reduce unit costs, modernise service delivery, improve customer service and generate efficiencies
- 6.2. Shropshire Council continues to manage unprecedented financial demands, and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a quarterly basis.
- 6.3. Significant management action has been instigated and continues to be refined and implemented at all levels of the Council reducing spend to ensure the Council's financial stability and sustainability.
- 6.4. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial sustainability. All non-essential spend is being challenged by service directors and should not be incurred and other spend routinely challenged. These actions may involve (this is not exhaustive):
- scaling down initiatives,
 - changing the scope of activities,
 - delaying implementation of agreed plans, or
 - extending delivery timescales.
- 6.5. The Budget, Transformation & Change Review Panel (BTCRP) is fundamental to introducing new rigour to the development of projects supporting transformation. It will help to ration and prioritise limited financial resources to those schemes likely to give the optimum return for any investment required. Most importantly, it is a vehicle to create an accountability framework for the multiple projects undertaken across the Council, with named directors and projects responsible for the management and delivery of approved projects.
- 6.6. The review undertaken by Local Partnerships for this review formed part of the programme of sector-led support provided and funded by the LGA. The calculation and confirmation of the resources required to implement the findings and what is required to realise financial sustainability will evolve as part of the new transformation and change portfolio, and the arrangements put in place to support and enable the delivery of the programmes and projects in it.

7. Climate Change Appraisal

- 7.1 Not applicable

8. Conclusion

- 8.1. The independent review undertaken by Local Partnerships has provided the Council with clear, constructive insight into our previous approach to transformation. We welcome the challenge and learning which are helping to shape a fundamentally different way forward and ensure we are a 'smarter' client of any future consultancy support. The changes now

being put in place including the Budget, Transformation and Change Review Panel, strengthened finance and procurement functions, a more robust PMO, and clearer accountability for delivery demonstrate a step change in how we plan, commission, and oversee major transformation. There will be greater visibility, stronger elected member oversight, and a clear expectation that transformation is owned and led by the organisation as a whole. We have listened, learned, and acted. As a result, we are more self-aware, more resilient, and better equipped to deliver sustainable change with both confidence and control.

Appendices

Appendix 1: Report by Local Partnerships: Organisational Transformation Programme: Lessons Learned Review

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JOINTLY OWNED BY



HM Treasury



Organisational Transformation Programme

Lessons Learned Review

Prepared for Shropshire Council

Version Ref: Final Report

Date of Issue: 29th May 2026





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Abbreviations	
SC	Shropshire Council
PwC	PriceWaterhouseCoopers LLP
CEX	Chief Executive
DGG	Delivery Governance Group
TIOSC	Transformation and Improvement Overview and Scrutiny Committee
TMTFSTFG	Transformation and Medium-Term Financial Strategy Task and Finish Group
SoW	Statement of Work



1 Summary

1.1 Purpose of report

This report sets out the findings and recommendations from a lessons-learned review of the transformation programme undertaken by Shropshire Council. The review examined, in particular, the strategic purpose of the partnership with PwC, how the relationship was managed, and the extent to which it achieved the objectives established at its inception.

Shropshire Council's Transformation Programme was a wide-ranging, strategically driven effort designed to modernise services, deliver significant financial savings, and reshape the organisation for long-term sustainability. Working in partnership with PwC from February 2023, the council pursued a programme of service reviews, digital modernisation, third-party spend reduction, and operating model redesign, collectively identifying substantial savings, including £19.1m through service reviews and £4.4m through supplier negotiations. This was alongside major digital improvements such as the rebuild of the My Shropshire portal and extensive automation of customer journeys. The programme was closely aligned to the ambitions of the Shropshire Plan.

It is understood Shropshire Council engaged PwC as its strategic transformation partner because the council faced significant financial and organisational pressures and lacked the specialist capacity needed to deliver a large-scale change programme at pace. It required expert support to identify and realise more than £30 million in recurrent savings, redesign its operating model, and undertake complex work on customer experience, commissioning, and third-party spend. Internal documents show that PwC was brought in to provide the capability and technical expertise, such as digital modernisation and analytical support, that the council did not have in-house, helping to accelerate savings delivery and support the wider ambitions of the Shropshire Plan.

The purpose of this review was to provide an independent, objective assessment of the lessons that could be learned from commissioning and managing the PwC assignment, and to offer constructive advice for how similar work could be managed in the future. Although not a financial audit or technical review, it focused on adding value to the council through a forward looking, collaborative approach aimed at identifying opportunities for improvement. Funded by the Local Government Association Sector Improvement Grant, the review involved examining programme documentation and conducting nonattributable interviews with stakeholders to understand delivery, risks, issues, and how well the commission met its original objectives.

1.2 Summary of Lessons Learned

The Local Partnerships Review Team (detailed in Appendix C) identified the following lessons learned, which are prioritised using the definitions below:

- **Critical (Do Now)** – These lessons learned impact council 'business as usual' and should be implemented as a matter of priority.



- **Essential (Do By)** – To increase the likelihood of a successful outcome of any future transformation project the action should be taken as soon as possible.
- **Recommended** – This is advisory in nature to contribute towards a successful outcome of any future transformation programme.

Ref	Lesson Learned	Definition
1.	The decision to embark on any future transformation programme should be supported by a suitable business case. This should include an options appraisal of how the market is to be engaged (Commercial Case), programme managed (Management Case) and best value ensured (Economic Case).	Critical
2.	Governance arrangements should ensure that a broader constituency of senior leaders are involved in key decision-making, in particular with regards to commercial management of the contract. Consideration should also be given to succession planning and continuity to long term transformation programme governance.	Essential
3.	Ensure future transformation programmes undergo regular assurance reviews to make sure strategic coherence is maintained through the lifetime of the programme. Is the programme still delivering what the council requires in the way we want? Are we still offering value for money? These are questions that should be revisited on a regular basis.	Essential
4.	Given the likely size and criticality of future transformation programmes, the council should consider applying appropriately robust scrutiny to such commissions. This should include scrutiny by elected members and the use of Internal Audit.	Essential
5.	The governance arrangements for future transformation programmes should be provided with a high-level oversight function in the form of an 'Organisational Design Authority'. This would sit across the various workstreams, ensuring decisions are strategically consistent, operationally aligned and evidence led.	Recommended
6	Within the proposed Organisational Design Authority, future transformation programmes should formally embed digital, automation and technology leadership within programme governance. This will further ensure that technical feasibility, architectural dependencies, system integration risks and testing requirements are fully understood and appropriately considered in key programme decisions.	Recommended
7	The council should ensure that future transformation programmes are embraced by the entire organisation, both officers and members, rather than just parts. It is suggested that this is achieved through active and visible senior leadership and effective communication.	Critical
8	Communication and engagement associated with future transformation programmes could greatly benefit from a comprehensive Communication Plan. The strategic context of the programme, the potential impact on the relative services and the consequences of failing to change need to be spelt out clearly prior to commencement. It should also be recorded how feedback from staff, members and residents will be gathered and managed.	Recommended



Ref	Lesson Learned	Definition
9.	The roles and responsibilities of the future transformation partner, project management and the individual services need to be clearly defined and communicated prior to commencement.	Essential
10.	The effective operation of the Finance function should be a critical success factor for future transformation programmes, with the Section 151 Officer, Finance staff and important financial management systems and processes at the heart of the programme.	Essential
11.	Future transformation programmes should be provided with a complete, fully integrated project programme. This should be realistic about the time required to achieve transformational change and understand the key dependencies and critical path involved. It should also reflect the extent to which departments can deliver against it and take into account external factors (such as a CQC inspection).	Recommended
12.	<p>In undertaking future digital transformation programmes, the council should ensure it continues to have the capability and capacity to:</p> <ul style="list-style-type: none"> • understand the system technology experience. • be clear on what is required as an intelligent client on behalf of the organisation e.g. ability to challenge and identify unknowns e.g. hidden fees, suitability of proof-of-concept KPIs. • understand the adviser market and structure the procurement and partnership in a way that achieves value for money. • understand the capacity of departments to engage and that BAU is not a constant e.g. Adults – CQC inspection, Revenue and Benefits – need to improve debt recovery. • appreciate the difficult obligations that transformation brings in terms of re-designing processes that result in surplus staff. • ensure advisers are software and system agnostic. <p>But also, governance arrangements that ensure there is a clear and effective escalation route from this specialist expertise into formal decision-making (ref. Recommendations 1 and 5).</p>	Essential
13.	The council should ensure that future transformation programmes are led by council officers forming a 'smart client' function. This should define the strategic direction of the programme, actively manage the 'delivery partner' and provide a visible lead on all communications to the entire organisation.	Essential
14.	The on-going assessment of the status of realisable savings identified by PwC should be completed and confirmed by the council i.e. the savings are implemented and accounted for in revenue budgets, or the saving values are agreed as realisable and are either accounted for in revenue budgets but not yet implemented or are awaiting action to implement and account for in budgets.	Essential

2 Background

2.1 Overview.

The council commissioned Local Partnerships to undertake an independent lessons-learned assessment of Shropshire Council's strategic transformation partnership with PwC. It was funded by the LGA's Sector Improvement Grant and undertaken the week commencing 26th January 2026. Its purpose was to understand how the contract had been commissioned, managed, delivered, and ultimately terminated, identifying what improvements were needed for future transformation programmes.

2.2 The purpose and scope of the Lessons Learned Review

In undertaking the lessons learned review for the council, and on the basis of the information made available to us, we sought to:


- identify specific areas of potential improvement for future delivery of similar transformation programmes and offer recommendations for how this could be achieved.
- identify areas of potential risk in the future delivery of similar transformation programmes and suggest potential mitigation and management actions.
- identify aspects of the PwC engagement that appear to have worked well and not so well, considering both the commissioning process and delivery. This included examining whether the partnership was structured effectively, whether roles and responsibilities were clear, and whether the intended outcomes were articulated and achieved.
- assess governance, reporting, and visibility to members, evaluating how decisions were made, how progress was monitored, and whether oversight mechanisms were robust.
- review the savings and how successfully these were realised, providing comments on perceived and actual value for money,
- provide recommendations for future commissioning and contracting arrangements, working with external consultants in general and specifically in transformation partnerships and improvement planning, ensuring lessons learned are embedded into future procurement, governance, and delivery models.

2.3 Our Approach

Our approach to the lessons learned exercise was constructive and forward thinking. The review sought to draw as much learning as we could from the council's experience of the programme. This could be applied to business-as-usual activities or future transformation programmes.

The lessons learned review was delivered in three stages:

- Stage 1: Preparation and documentation review (Appendix B).

- 
- Stage 2: Stakeholder engagement – this consisted of ten one-to-one interviews with appropriate council officers (Appendix A).
 - Stage 3: Analysis of findings, development and prioritisation of recommendations and feedback to the council.

Preparation and Desk Top Investigation

The review team spent time preparing for the review, carrying out pre-reading and researching the key issues. Documents were provided by Shropshire Council prior to the review.

By reviewing this documentation, the review team could develop a keen sense of the role of the Project Management Office ('PMO'), how it fits within the overall council scheme of delegation and ascertain key issues experienced regarding the PMO and inform lines of enquiry with stakeholders.

Stakeholder Engagement

Following discussions with the council, the review team carried out a series of short interviews with a wide range of stakeholders involved [to a greater or lesser extent] in the programme. These included senior officers, elected members, programme team staff, individual service leads, and members of the PwC team.

Each interview was 45–60 minutes in length and conducted on a non-attributable basis. This approach enabled participants to speak openly, with the review team drawing on and triangulating the insights provided without attributing comments to individuals, something we have found encourages honest and accurate reflections.

An original limitation of this review was that several key stakeholders, who were instrumental to the programme, were originally unavailable for interview. As a result, further interviews were conducted with two external stakeholders after the release of the original report for client review.

In addition, the change in Shropshire's administration following the May 2025 election meant that no elected members from the previous administration involved in the arrangement were available to contribute to the interviews.

A full list of stakeholders interviewed is provided in Appendix A.

Analysis, Report Writing and Feedback

When the stakeholder interviews had been completed, the review team spent time collating the information and data, developing their analysis, and drafting this report. This report includes the observations gathered during the review, along with the conclusions and recommendations arising from the analysis.



The report findings and lessons learned have been out in Section 3. The analysis was organised into seven main areas, with individual lessons identified for each.

- **Inception and Strategic Alignment:** strategic fit, commissioning process: clarity of objectives, procurement approach, and alignment with strategic priorities.
- **Governance and Organisation:** structure and management: effectiveness of terms, variations, and governance structures.
- **Leadership and Culture:** the conditions for delivery and outcomes: whether milestones were achieved and benefits realised and if not, why not.
- **Programme and Commercial Management:** the coordinated governance and oversight of multiple related projects to ensure they collectively deliver strategic, long-term organisational outcomes.
- **Communication and Engagement:** quality, timeliness, and visibility to elected members and senior officers.
- **Capacity and Capability:** current strengths and weaknesses and the effectiveness of knowledge transfer: extent to which internal capability was strengthened for future transformation.
- **Value for money and potential for further transformation:** assessment of costs against tangible outcomes and benchmarking against similar engagements. Whether it is possible to identify any further opportunities for transformation which have not yet been implemented in full.



3 Findings and Lessons Learned

3.1 General

The review acknowledges that there has been significant change within Shropshire Council since PwC was first appointed as the Council's Transformation Partner, with several key officers having since left. In addition, the May 2025 elections brought a substantial shift in political composition, resulting in a change of administration. Consequently, some former staff and many elected members were no longer available to contribute to the review.

An attempt to address this gap in input from strategic leadership has been made since the first issue of this report. Structured conversations with both the previous Section 151 officer and the Assistant Director for Transformation have now been held. The result of these additional conversations has now been taken into account in this version.

3.2 Inception and Strategic Alignment

We understand the decision to appoint PwC as the Council's Transformation Partner was driven by four core objectives: to secure an independent, third-party assessment of the organisation; to draw on insight and learning from other councils' transformation journeys; to gain access to additional transformation capacity whilst also benefitting from external challenge and expert advice in responding to the Council's significant budget pressures.

The long-term strategic ambition was set out in the new 'Shropshire Plan: Shropshire Living the Best Life', as referenced in the invitation to bidders. However, the scope and focus of the work delivered, appears instead to have been shaped predominantly by short term financial pressures, particularly the need to secure substantial, immediate savings. Given the scale of the budget challenge at the time, this is perhaps unsurprising.

Shropshire Council procured its Transformation Partner through the Crown Commercial Service's (CCS) RM6187 Management Consultancy Framework (MCF3, Lot 3). The contract was awarded primarily on quality (60%), with price accounting for 20%, and Knowledge Transfer and Social Value each contributing 10% to the overall evaluation. The use of the CCS framework is a common procurement tool used by many councils. However, it is but one of a number of options available to the council which it could have used to achieve its strategic objectives. We have seen no evidence of alternative options being considered, such as breaking the commission down into perhaps more manageable work packages or considering the possibility of undertaking more transformation activities internally.

From the information made available to us, there is also no evidence of any formal business case being produced to support the decision to seek a 'Transformation Partner' or indeed to appoint a single supplier in PwC. The absence of such a case has the potential to have impacted the commercial management of the relationship, the governance applied to it and how benefits were managed and accounted for.



Ref	Lesson Learned	Rating
1.	The decision to embark on any future transformation programme should be supported by a suitable business case. This should include an options appraisal of how the market is to be engaged (Commercial Case), programme managed (Management Case) and best value ensured (Economic Case)	Critical

The commission was awarded on the basis of an initial twelve-month arrangement, with an option to extend for a further two years if required. The commission was bid competitively, with two other bids received as well as PwC. The three bids we believe were regarded all as compliant, with PwC winning out. The relative merits of each remain unclear as no comparative tender evaluation was available for review.

The subsequent contract's payment structure comprised of elements:

- a fixed fee component payable irrespective of outcomes
- a milestone-based component released upon the successful delivery of agreed milestones, and
- a contingent component linked to the identification of cashable savings.

While such payment models are not unusual for commissions of this nature, the proportional balance between these elements must be carefully designed to ensure that performance risk is shared appropriately between parties, thereby delivering value for money. Some interviews revealed concerns about the calibration of these different elements. Some perceived the early termination of the contract as preventing the realisation of savings that had been identified but not yet delivered.

3.3 Governance and Organisation

The principal governance arrangements providing direction and challenge to the Transformation Programme evolved over time. However, no comprehensive governance map appears to exist to show how strategic oversight was intended to operate, nor how the programme was expected to interface with the Council's established governance structures. This absence of a clear, documented framework made it difficult for the review team to understand how accountability, escalation, and decision-making were meant to function across the programme's lifecycle. In particular, how the change programme interfaced with the council's own governance framework.

The primary joint governance forum overseeing the Transformation Programme appears to have been the Delivery Governance Group (DGG). This group brought together both Council officers and members of the PwC team. It was chaired by the Council's Section 151 Officer, with regular attendance from the Assistant Director for Transformation and the Programme Manager, alongside other PwC representatives. Together, it is understood this group was intended to provide strategic direction, challenge, and oversight across the programme.

The Chief Executive's Senior Executive Management Team (EMT) exercised, through its meetings, a degree of oversight over the Transformation Programme at the Bi weekly



Executive Review Board (ERB). The meeting operated on a dual, biweekly rotation. With the EMT one week and a programme board the next. Alongside the Chief Executive and the Section 151 Officer, the ERB included the three Executive Directors, the Assistant Director for Transformation, Assistant Director of Finance & ICT (deputy s151 officer), Assistant Director – Workforce & Improvement, the Programme Management Office Manager and Head of Communications and Engagement. PwC leads also attended part of the sessions with other programme leads brought in as required/relevant e.g. IT, Service areas, Assistant Directors.

This forum provided an important, though limited, opportunity for the wider leadership team to scrutinise progress, challenge assumptions, and offer insight into the management of the partnership with PwC.

However, it appears from information made available to the review team that the manner in which roles and responsibilities were allocated within the EMT meant that commercial oversight of the transformation partner rested almost entirely with a small number of individuals. The review team has seen no evidence to suggest that matters relating to payments, contract variations, and performance management were brought to the wider meeting for scrutiny. Instead, from the information made available as part of the review, it appears these issues were handled within a very limited circle of senior officers, reducing opportunities for transparency and limiting organisational challenge.

While the sensitive nature of transformation work understandably requires a significant degree of confidentiality, it is nonetheless an endeavour that must be owned collectively by the organisation.

Effective governance should be transparent, clearly setting out where decisions are made, how oversight is exercised, and the routes through which issues can be escalated as they arise. Establishing this clarity is essential to building trust, enabling constructive challenge, and ensuring that the organisation can engage fully and confidently in the transformation process.

The governance arrangements should also accommodate feedback from technical (i.e. IT) and other services to inform their programme decision making. The subsequent departure from the council of a number of critical members of the board highlights the importance of a clear succession plan.

Ref	Lesson Learned	Rating
2.	Governance arrangements should ensure that a broader constituency of senior leaders are involved in key decision-making, in particular with regards to commercial management of the contract. Consideration should also be given to succession planning and continuity to long term transformation programme governance.	Essential

A review of the agendas and minutes of the Transformation and Improvement Overview and Scrutiny Committee (TIOSC) indicated that although progress on the Shropshire



Plan was regularly reviewed, the PwC work seemed not to be subject to direct scrutiny by committee members. A report to the TIOSC from the Transformation and Medium-Term Financial Strategy Task and Finish Group (TMTFSTFG) refers to contact with the PwC team but it is not believed from the documentation provided and brief review of information already in the public domain that the PwC commission was brought in front of elected members directly at any point.

The review could not find any instance over the course of its duration where the PwC commission underwent any form of internal assurance or challenge with regards to the continued strategic fit of PwC.

Ref	Lesson Learned	Rating
3.	Ensure future transformation programmes undergo regular assurance reviews to make sure strategic coherence is maintained through the lifetime of the programme. Is the programme still delivering what the council requires in the way we want? Are we still offering value for money? These are questions that should be revisited on a regular basis.	Essential

Similarly, Internal Audit within the Council was not commissioned to include PwC's work in the annual audit plan. Although there is indirect reference to the commission in audits of both Children's and Adult Services, it seems no dedicated audit of the PwC assignment was ever undertaken.

Ref	Lesson Learned	Rating
4	Given the likely size and criticality of future transformation programmes, the council should consider applying robust scrutiny to such commissions. This should include scrutiny by elected members and the use of Internal Audit.	Essential

3.4 Leadership and Culture

The review highlighted a consistent view among stakeholders that commitment to the transformation agenda varied significantly across the organisation. While it appears some services fully embraced PwC's work in identifying and delivering potential savings, others were more resistant or reluctant to engage.

It should however be noted that this failure to engage in the process could be far more complex than cultural resistance. Although engagement varied across directorates, in some cases delivery issues were driven by programme-level constraints such as readiness assessments, sequencing, capacity or technical dependencies rather than simple non participation.

The strategic objectives of the Transformation Programme appear to have been weakened by this inconsistent engagement across directorates. Interaction with the transformation team appears to have been uneven, and the development of PwC's work



programme, contractually defined in Statements of Work (SoWs), appears often to have reflected the willingness of individual directorates to participate rather than alignment with the programme's overarching priorities or areas of greatest savings potential. As a result, it appears activity was frequently shaped by ease of cooperation instead of strategic need, diluting focus and weakening the coherence of the overall transformation effort. A picture emerged during the course of the review that individual SoWs defined by PwC and agreed with the council did not result in consistent or coherent outcomes.

Ref	Lesson Learned	Rating
5.	The governance arrangements for future transformation programmes should be provided with a high-level oversight function in the form of an 'Organisational Design Authority'. This will sit across the various workstreams, ensuring decisions are strategically consistent, operationally aligned and decisions are evidence led.	Recommended

Although the change programme included active dialogue between the programme and the councils IT service, the review indicated that this link could perhaps be made more robust in future.

Ref	Lesson Learned	Rating
6	Within the proposed Organisational Design Authority, future transformation programmes should formally embed digital, automation and technology leadership within programme governance. This will further ensure that technical feasibility, architectural dependencies, system integration risks and testing requirements are fully understood and appropriately considered in key programme decisions.	Recommended

If the Council wishes to continue its transformation journey, ensuring full organisational engagement will be essential. We suggest that this is best supported through strong visible leadership and effective, consistent communication. There should also be recognition that transformation programmes, by their nature, are multi-year initiatives and can transcend different political administrations. There should be cross party work undertaken to ensure that members across the council are supportive to minimise deliverability risk in the event of changes in political leadership.

Ref	Lesson Learned	Rating
7.	The council should ensure that the future transformation programmes are embraced by the entire organisation, both officers and members, rather than just parts. It is suggested that this is achieved through active and visible senior leadership and effective communication.	Critical



One of the reasons that the council sought out a Transformation Partner was to fill the capacity and capability requirement it knew it had. Although significant change elements were in fact delivered by the council themselves, PwC were able to fulfil these additional needs as it provided high quality resource to the organisation to help support the council's transformation aims. In such cases both the documentation and stakeholder interviews however pointed towards the fact that this led to a perception that more delivery support would be available from the m consultant rather than actively directed by the council.

3.5 Communication and Engagement

We are uncertain as to whether the Transformation Programme benefitted from a comprehensive Communication Plan. The documentation pack provided did not contain such a document, nor was the review team provided with evidence of an individual assigned a communication role within the programme's organisation. During stakeholder interviews, the need for improvements in communications and employee engagement emerged as recurring themes.

The 'two-way' nature of communications during transformation also needs to be taken into account. Instances of where the Transformation Partner facilitated change workshops to which staff could contribute were provided to the review team. However, concerns were raised that insufficient time was given to seeking staff feedback on the end product of these sessions. A recurring view was that solutions offered were often 'far too optimistic' or had not taken on board important points raised by participants.

Clearly the change programme included communication activities undertaken by dedicated resource. Whilst these are undoubtedly useful, they appear not to have been integrated into a comprehensive plan and linked to other activities and dependencies.

Ref	Lesson Learned	Rating
8.	Communication and engagement associated with future transformation programmes could greatly benefit from a comprehensive Communication Plan. The strategic context of the programme, the potential impact on the relative services and the consequences of failing to change need to be spelt out clearly prior to commencement. It should also be recorded how feedback from staff, members and residents will be gathered and managed.	Recommended

PwC were appointed as the Council's 'Transformation Partner', and this appointment communicated widely. However, information obtained during the course of the review suggests the organisation did not receive a clear or consistent definition of what exactly this role entailed. As a result, it is understood staff across the Council were uncertain about the specific responsibilities PwC held and what support or deliverables they should reasonably expect from them. This led to confusion and misaligned expectations.



Ref	Lesson Learned	Rating
9.	The roles and responsibilities of the future transformation partner, project management and the individual services need to be clearly defined and communicated prior to commencement.	Essential

This should include any changes made during the course of the change programme.

3.6 Programme and Commercial Management

As noted above, the review team has not seen or been made aware of a business case for the transformation programme within which an initial project plan and timetable would have been a feature. Our impression is the results of the stakeholder interviews suggest that a decision was taken to bring in a transformation partner who would then, having had a chance to survey the circumstances and apply their own delivery experience, set out a plan which would be adopted by the programme. It appears that several factors ultimately undermined this approach. This resulted in the loss of the co-ordination and control over the delivery process that a project plan is intended to provide.

The first factor is that the cultural readiness to change was over-estimated and that the necessary engagement work was not undertaken to overcome departmental resistance where it arose. This stymied progress and meant that some of the enablers for process change and staff savings could not be implemented either in time or to the extent necessary. It appears that as the financial pressures built within the council, it created an increasingly reactive approach to project management and a subsequent loss of control.

The second factor is that in undertaking the project planning and critical path development, account was not taken of important programme dependencies such as the requirements necessary to ensure successful implementation of the key information technology solutions relied upon by the strategic partner e.g. training and experience of the resident IT support team; interfaces required with in-house systems.

The programme plan that was in play, as seen by the review team, effectively represented a series of projects, which were contractually defined in the SoWs. These were initiated and defined by the transformation partner and presented for approval to and monitoring by the Delivery Governance Group (DGG). The SoWs, again as seen by the review team, were component parts of a transformation programme, but their commissioning and sequencing were not strategically aligned. The SoWs had value in themselves, but it appears they were not moving the programme forward in a way that would achieve the target savings within the timescales required. The direction resembled a pathway of least resistance rather than one that was the most effective.

Given the overwhelming objective of the transformation programme was to generate savings, we have not been able to establish the process that the council relied upon to update the programme for its savings targets and reflect progress in achieving cashable savings into its budget projections. We understand that finance business partners attached to council services were not engaged in the transformation programme in a manner that provided a conduit for such information to be exchanged.



Ref	Lesson Learned	Rating
10	The effective operation of the Finance function should be a critical success factor for future transformation programmes, with the Section 151 Officer, Finance staff and important financial management systems and processes at the heart of the programme.	Essential

Finally, in the same way that there was a lack of a business case to commence the transformation partnership, there appears to have been a lack of documented evidence and insight to support the decision to end the partnership, which then put at risk a significant level of investment made by the council. A value statement was put together retrospectively by the transformation partner to help the programme communicate what had been achieved up until the point the contract was terminated.

It is evident from that and minutes of the final DGG at which the transformation partner was present, that significant work in progress existed which would either need further external support to implement to full potential, or writing off. We have seen no evidence to suggest the options facing the council were properly assessed and it is only now that the implications are being dealt with. Issues with the Amazon Web Services solution have led to its withdrawal, while a full procurement process is undertaken to identify a future contact centre solution, incorporating lessons learned from the AWS project

Ref	Lesson Learned	Rating
11	Future transformation programmes should be provided with a complete, fully integrated project programme. This should be realistic about the time required to achieve transformational change and understand the key dependencies and critical path involved. It should also reflect the extent to which departments can deliver against it and take into account external factors (such as a CQC inspection).	Recommended

The review team has seen documentary evidence that PwC's role as Transformation Partner expanded beyond its original remit of identifying savings, to include more direct involvement in digital transformation, extending into 'solutioneering' and implementation (discussed further in section 3.7). No options appraisal or best-value assessment appears to have been undertaken prior to widening PwC's role into these additional areas. The commercial risks and disadvantages of engaging a single supplier to identify savings opportunities, design the solution, and then implement it do not appear to have been fully considered. Lessons learned 4 & 5 are particularly relevant in this context.



3.7 Capacity and Capability

There are a number of observations with respect to capacity and capability that need highlighting from a lessons learned perspective.

The council procured its transformation partner by conducting a mini competition from a Crown Commercial Services Framework Agreement. Documentary evidence and interviews show the council chose to competitively test and evaluate the market's ability to deliver a relatively small piece of work (c.£200k) which then led to it being committed to the same partner for the much more substantial but untested work at a cost of c.£13m.

For digital led change to be successful, it is important time is given to understanding existing system and process compatibility, the extent of changes required, and the capability and capacity of in-house IT teams to support the change process, and the willingness and readiness of end users to adapt to the changes. Although the council possessed specialist expertise in digital, automation and systems integration its potential to add value was not fully realised. Structured, evidence-based feedback was offered by the IT team across the programme but did not always land due to the lack of an effective feedback route.

The proof of concept and testing process needs to be effective with headroom, in terms of time and finance, to change course if appropriate. During the course of the review, we became aware of several examples that indicated these factors were either not anticipated, appreciated or responded to.

In some cases, it appeared that the council expected the transformation partner to anticipate challenges and fully identify key dependencies. However, this reinforces the importance of having the right experience in place to structure and guide the initial procurement and to provide effective contract management thereafter.

A further factor influencing the adoption of the chosen customer engagement IT package was the rapid pace of development in the AI sector. During implementation and commissioning, alternative solutions, particularly those offered by Microsoft, emerged that were not available at the point of decision when the viable options were far fewer. This has the potential, with hindsight, to cast the original decision in an unfavourable light, despite it being reasonable based on the information available at the time.

Ref	Lesson Learned	Rating
12.	<p>In undertaking future digital transformation programmes, the council should ensure it continues to have the capability and capacity to:</p> <ul style="list-style-type: none"> • understand the system technology experience. • be clear on what is required as an intelligent client on behalf of the organisation e.g. ability to challenge and identify unknowns e.g. hidden fees, suitability of proof-of-concept KPIs • understand the adviser market and structure the procurement and partnership in a way that achieves value for money. 	Essential



Ref	Lesson Learned	Rating
	<ul style="list-style-type: none"> understand the capacity of departments to engage and that BAU is not a constant e.g. Adults – CQC inspection, Revenue and Benefits – need to improve debt recovery. appreciate the difficult obligations that transformation brings in terms of re-designing processes that result in surplus staff. ensure advisers are software and system agnostic. <p>But also, governance arrangements that ensure there is a clear and effective escalation route from this specialist expertise into formal decision-making (ref. Recommendations 1 and 5).</p>	

The transformation partner’s role in helping the council deliver its savings target was to identify ‘realisable’ savings. This left the council with the task of determining and implementing the process and workforce changes that would release the savings. It appears the Council was unable to do this due to capacity and capability constraints to various extents in terms of technical execution, leadership, culture change and demand pressures within services.

The council should ensure that the key programme team roles are undertaken by council employees, supplemented by specialist consultant support as required. The strategic direction should be explicitly set out and managed by this ‘smart client’ function and the perception that this is a ‘consultant led’ programme avoided.

Ref	Lesson Learned	Rating
13.	The council should ensure that future transformation programmes are led by council officers forming a ‘smart client’ function. This should define the strategic direction of the programme, actively manage the ‘delivery partner’ and provide a visible lead on all communications to the entire organisation.	Essential

3.8 Value for Money and the potential for further transformation.

The review was originally unable to establish a definitive amount for the fees paid to the transformation partner. However, a subsequent document has been shared which sets out the scope of work and the associated cost to the council as circa £13 million which been paid to the transformation partner. We understand this document was used by finance and the PMO to track payments to the delivery partner.

The council believes it has realised one-off savings of c.£5m and recurring savings of c.£20m per annum as a direct result of the transformation partner’s work. There was a consensus across the stakeholders we spoke to that the service reviews had been valuable and provided a basis for generating further savings. However, a substantial amount of the money paid to the transformation partner (c.£7.4m) has been for work on



digitising customer channels and, at the time of drafting this report, it is understood the future of that project is uncertain: it may be brought to an end and re-set.

Hence, it is very much a mixed and uncertain picture in terms of value for money, but it is undoubtedly the case that at this point the programme is perceived to have delivered far less than was intended.

Social value was a key benefit that the council sought to generate from the beginning of PwC's work. It was specifically included as a part of the original tender assessment, attracting up to 10% of the evaluation score. This part of PwC's benefits included a diverse range of support offered by PwC, including work experience opportunities for young NEET residents and direct support to local food banks. Quantifying benefits like this is difficult but needs to be included in some way in how 'Best Value' is defined.

Ref	Lesson Learned	Rating
14.	The on-going assessment of the status of realisable savings identified by PwC should be completed and confirmed by the council i.e. the savings are implemented and accounted for in revenue budgets, or the saving values are agreed as realisable and are either accounted for in revenue budgets but not yet implemented, or are awaiting action to implement and account for in budgets.	Recommended



4 Appendices

Appendix A: List of interviewees

Appendix B: Documentation reviewed

Appendix C: Review Team Members



Appendix A: List of Stakeholder Interviewees

The following individuals were interviewed as a part of this review;

- Service Director, Enabling
- Head of Internal Audit
- Interim Chief Executive
- PMO Manager
- Portfolio Holder for Finance
- Finance Director
- Leader
- Executive Director / Interim Deputy Chief Executive
- Head of Automation and Technology
- Portfolio Manager, Enabling Services / PMO
- PwC representatives
- Ex-Section 151 Officer for the Council
- Ex-Assistant Director for Transformation



Appendix B: Summary of Documentation Reviewed

A comprehensive suite of documents was provided by Shropshire Council as a part of this review. This included project documentation together with a series of supporting documents issued as papers to a series of project meetings.



Appendix C – Review Team Members

Kevin Jones

Kevin brings a diverse background with senior leadership experience across both the private and public sectors. Originally qualifying as an engineer, he began his career in large-scale infrastructure, holding technical, commercial, and leadership roles on complex international projects.

After completing an MBA, he transitioned to the public sector, joining a major metropolitan authority and leading a capital programme exceeding £150 million annually, covering regeneration, transport, and education initiatives. He joined Local Partnerships in 2014 and has supported many public sector bodies across a range of infrastructure sectors including transport, energy, and flood risk management. He is Local Partnerships' lead on assurance.

Martin Forbes

Martin is a Chartered Public Finance Accountant (CIPFA) who spent the first ten years of his career within Big 4 consultancy and corporate finance teams, advising on a range of complex revenue and capital-based projects, involving local authority partnerships within and across the public and private sectors. He joined Local Partnerships in 2009 where he has since worked with local and central government on various policy and delivery challenges that have emerged over the subsequent period. This has included helping places drive efficiencies and capital from their operational estates; supporting HM Treasury and Government departments with PFI savings programmes; providing financial and commercial advice to city region public service reform programmes and devolution deals; working on local economic and business support programmes within the local enterprise partnership sector.

Alongside this work, Martin has worked closely with councils across the country on their proposals for major projects involving renewable energy, housing, transport, and digital infrastructure. He has led our support to Government's Levelling Up Fund bid assessment teams and undertaken reviews at a local and national level of corporate and contractual arrangements underpinning the growth in commercialisation within the local government sector.

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Finance and Improvement Overview and Scrutiny Committee Work Programme – 2025 / 2026 / 2027

COMMITTEE MEETING AGENDA ITEMS

Date	Topic	Responsible Officer	Added to mod.gov YES/NO	All Member Teams Briefing	Task and Finish Group followed by a report to Committee	Report straight to committee	Previous topic of review - an update against the action plan
Sep-25	Artificial Intelligence (AI)	Billy Webster / David Baker		✓ 12-Sep-25			
Sep-25	Annual Customer Feedback report	Tim Collard / Barry Hanson / Sarah Dodds	Yes			✓	
Sep-25	Financial Monitoring Report Quarter 1 2025/26	James Walton	Yes			✓	
Sep-25	Performance Monitoring Report Quarter 1 2025/26	Billy Webster	Yes			✓	
Sep-25	Financial Monitoring Period 4	James Walton	Yes			✓	
17-Nov-25	Financial Monitoring Report Quarter 2 2025/26	James Walton	Yes			✓	
17-Nov-25	Partnership Working T&F Group	James Walton / Tim Collard	Yes		✓	to report at regular intervals throughout	
17-Nov-25	Performance Monitoring Report Quarter 2 2025/26	Rachel Robinson	Yes			✓	
01-Dec-25	Fees and Charges Pricing Policy	Lisa Henchey / Victoria Doran	Yes			✓	
01-Dec-25	Financial Monitoring Period 7	James Walton	Yes			✓	
01-Dec-25	Improvement Plan	Tom Dodds / Paul Clarke	Yes			✓	
01-Dec-25	Staff Bullying and Harassment	Sam Collins-Lafferty	Yes				✓
19-Jan-26	Draft Financial Strategy 2026/2027 – 2030/2031	James Walton	Yes			✓	
19-Jan-26	Capital Strategy 2025/27	James Walton	Yes			✓	
09-Feb-26	Financial Monitoring Report Quarter 3 2025/26	Mannie Ketley				✓	
09-Feb-26	Financial Strategy 2026/2027 – 2030/2031	Mannie Ketley				✓	
09-Feb-26	Fees and Charges 2026/27	Mannie Ketley				✓	
					✓		

09-Feb-26	Partnership Working T&F Group	Tim Collard	Yes			To report at regular intervals throughout programme	
13-Apr-26	Part One report of the CIL Task and Finish Group	Greg Ebbs				✓ To report at regular intervals throughout programme	
08-Jun-26	Performance Monitoring Report Q4 and Corporate Plan Performance Framework	Paul Clarke / Jess Edwards	Yes			✓	
08-Jun-26	Financial Outturn 2025/26	Duncan Whitfield	Yes			✓	
08-Jun-26	Improvement Plan – Update Report	Paul Clarke	Yes			✓	
08-Jun-26	PWC Local Partnerships Report	Rachel Robinson	Yes			✓	
08-Jun-26	Aquamira Learning Disability day service	Natalie McFall	Yes			✓	
08-Jun-26	Helena Lane Older people's Day Service	Natalie McFall	Yes			✓	
07-Sep-26	Performance Monitoring Report Q1	Paul Clarke / Jess Edwards				✓	
07-Sep-26	Financial Monitoring Report Quarter 1 2026/27	Duncan Whitfield	Yes			✓	
16-Nov-26	Draft Medium Term Financial Plan 2027 - 2032	Duncan Whitfield	Yes			✓	
16-Nov-26	Financial Monitoring Report Quarter 2 2026/27	Duncan Whitfield	Yes			✓	
16-Nov-26	Performance Monitoring Report Q2	Paul Clarke / Jess Edwards				✓	
08-Feb-27	Financial Monitoring Report Quarter 3 (Period 8) 2026/27	Duncan Whitfield	Yes			✓	
08-Feb-27	Medium Term Financial Plan 2027/28 – 2031/32	Duncan Whitfield	Yes			✓	
08-Feb-27	Performance Monitoring Report Q3	Paul Clarke / Jess Edwards				✓	

Other identified areas of interest from Committee discussions, including topics for briefings and potential Task and Finish Groups:

Planned Topics	
North-West Relief Road - Part One	Terms of Reference to be approved
Devolution	To take place Autumn 2026
Finance Scrutiny	
Scrutiny Review	
Financial and Performance Monitoring of Adults and Children's services	
Use of Consultants	

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