Shropshire Council

Appendix A

DRAFT (Subject to Audit and Governance Committee consideration)

Annual Governance Statement 2025/26

Introduction

The Council is required to present an Annual Governance Statement (AGS) each year. Following consideration of this AGS by the Audit and Governance Committee on 15th July 2026, it will be passed to the Leader of the Council and the Chief Executive for certification, following amendments as appropriate.

There are a number of appendices attached to the Statement:

- **Appendix A -** The Governance Framework
- **Appendix B -** Review of Effectiveness
- **Appendix C -** Significant Governance Issues

The AGS is a requirement under the Accounts and Audit Regulations 2015 (Regulation 6) to sit alongside the annual statement of accounts. This AGS should be produced and considered after a review of the effectiveness of the Council's system of internal controls as required by the Accounts and Audit Regulations.

This AGS summarises a number of important events in 2025/26 leading to the establishment of an independently chaired Improvement Board, the development of an Improvement Plan for the Council, and requirement to seek Exceptional Financial Support (EFS) from Government.

The AGS also includes narrative on the Council's key strategic risks, and the challenges, changing circumstances and context that have impacted on them, and the response to these during 2025/26.

Context

2025/26 was a pivotal year for Shropshire Council. There was a change of political leadership in May after many years under previous administrations. A 'financial emergency' was declared in September. Specifically, this was in response to significant projected shortfalls in funding available for statutory services, an over optimistic savings programme that was largely based around a transformation programme that was unsupported by detailed planning of delivery or benefits realisation, a significant funding gap in a long standing transport investment project (North West Relief Road), and reductions in government funding in real terms.

Collectively these, and other issues, pointed to weaknesses in the financial management of the Council, which had been evidenced by early indications from external scrutiny in previous years including the CIPFA review in 2024. In the context of the extent of budget shortfalls in 2025/26 that prompted the declaration of a 'financial emergency' and the need to seek EFS for both 2024/25 and for 2025/26 and beyond, hindsight suggests that there may have been a need to declare an emergency in 2024/25 or even earlier.

Early in 2025/26, the Administration commissioned a Corporate Peer Challenge coordinated by the Local Government Association (LGA). This was carried out in July 2025, with a report and recommendations presented to Full Council in September 2025. The peer team provided observations and recommendations for improvement, including addressing the financial position and other areas of how the Council operates. In response to the Peer Challenge the Council, with support from the LGA, created an independently chaired Improvement Board to provide oversight of an Improvement Plan.

The Improvement Plan was developed (and agreed by Full Council in December 2025) as a response to the Peer Challenge and other external reports and recommendations. These included the annual external auditor letter and 'statutory recommendation' identifying that the Council must take steps to mitigate the forecast year end overspend and subsequent impacts, review service delivery, improve robustness of savings plans and prevent a reliance on EFS. The Plan included key programmes of action focused on the aim of being a council that is financially stable and sustainable.

A range of in-year actions, measures and arrangements were put in place to contain expenditure in-year, and the projected variation from the budget, including:

- Budget Oversight and Spend Strategy (BOSS) meetings with all Service Directors to ensure an accurate and up to date understanding of actual and forecast spend, and savings position, enabling a deep dive reset of the in year budget position.
- The establishment and implementation of arrangements to ensure stringent financial management, including boards that provided strict oversight of discretionary spending (spend control, workforce review, technical boards).
- Clear and regular communication to elected members, senior managers and all staff about the position, and measures to address it so there was an understanding of roles and responsibilities.

Following on from CPC findings, important changes took place including a fundamental reconstruction of the leadership of the organisation. This included a new interim Chief Executive and interim Section 151 Officer, and other changes in senior leadership roles. A Statutory Officers Group (Section 151 Officer, Monitoring Officer, Head of Paid Service) was established in October 2025 to consider significant governance issues and track key financial management and governance improvement actions across the Council including monitoring the implementation of Internal Audit recommendations. This group meets regularly and is expanded where appropriate to include other statutory officers

Strategic Risks, issues and challenges

Despite the exceptional nature of Council finances in 2025/26, a number of underlying challenges and issues, both financial and non-financial, continued to present themselves as strategic risks that the Council faces. While some strategic risks remain and increase for circumstances mainly beyond the Council's control, their potential impact through the financial emergency is exaggerated, and there are other strategic risks arising directly from the financial conditions created by EFS.

Risk management arrangements are being updated at present, including a revised register of strategic risks, and will be developed further in 2026/27. These arrangements will be set out to the Audit and Governance Committee in September 2026. As part of these new arrangements the Council is transferring the coordination of the risk function to sit alongside the Internal Audit Team.

The maintenance of departmental risk registers and the management of mitigations continue to be the responsibility of Service Directors. These risks will be subject to review by the risk team who will aggregate the scale and extent of departmental risks and provide an ongoing schedule of key strategic risks. These will be assessed regularly by the Leadership Board and agreed by Statutory Officers. Strategic risks will continue to be reported to the Audit and Governance Committee and referenced annually within the AGS.

Strategic risks were reviewed in November 2025 and are reflected in the Council's Strategic Risk Register. Nine strategic risks were considered as facing the Council during 2025/26:

1. Failure to protect and manage the impact of a targeted cyber-attack on ICT Systems used by the Authority.
2. Inability to contain overall committed expenditure within the current available resources within this financial year
3. Inability to set a balanced budget for a given year within the MTFS
4. Failure of officers and members to adhere to governance arrangements
5. Health & wellbeing of the workforce
6. Critical skills shortage impacting recruitment, retention & succession planning
7. Impact of extreme pressures upon partners (social care, health, and criminal justice)
8. Responding and adapting to Climate Change within our available financial resources
9. Failure to set clear strategic direction for the housing portfolio

Alongside the risks outlined above, a number of further issues and challenges emerged during the year, and several facets of existing risks continued to develop and change. These factors, and changing context and circumstances, will need to be incorporated into the revised risk management framework and include:

The Council has reported Limited Assurance on the Internal Audit Control Framework for seven years, limiting confidence in the standards of governance in place within the organisation. Linked to the strategic risk of *a failure of officers and members to adhere to governance arrangements,* there is an acknowledged need for further action. Leadership Board regular reviews the status of audit recommendations and the Statutory Officers Group, introduced in October 2025, further monitors the implementation of Internal Audit recommendations and provides direction as necessary to improve overall responsiveness.

The external auditor felt bound to issue statutory recommendations as part of their annual audit for 2024/25 which cast doubt on the integrity of the Council's value for money arrangements. The Improvement Plan included actions and activity that responded to the statutory recommendations. An updated response to the recommendations (which included activity undertaken during 2025/26) was reported to the Finance and Improvement Overview and Scrutiny Committee and Cabinet in June 2026 as part of an Improvement Plan update report. Some recommendations require extensive and ongoing work; others have been independently reviewed in specific functional areas such as children's and adult social care. The recommendations will continue to be reflected in the improvement plan for some time to come, especially insofar as they impact on the Council's budget and business planning process.

Exceptional Financial Support (EFS) incurs costs of debt for both interest and principal of a fixed number of years and creates an additional overhead over and above the costs of additional demands for services and the inflation that goes with it. This is a specific additional dimension of the risk of an *inability to contain overall committed expenditure within the current available resources within this financial year.* As part of its Medium-Term Financial Plan, approved by Full Council in February 2026, the Council committed to developing a Financial Sustainability Strategy (due for Cabinet consideration in July 2026) that sets out how the Council will take steps to reduce reliance on EFS. In any event in order to pay for the additional costs of debt, the Council will be prioritising Council Tax increases up to the maximum allowed and will need to find offset savings in the cost of services to balance the budget without recourse to further EFS.

Despite a three-year settlement, government funding continues to reduce as a proportion of public sector investment in real terms and continues to transfer additional burden to local taxpayers. The additional increase in Council Tax for 2025/26 is one manifestation of mitigation necessary to address this risk, and there is likely to be further impacts as the Council reduces its expenditure. The Improvement Plan acknowledges the risk that residents see service performance reducing rather than improving as the Council implements the plan. Looking forward, the Council will need to stress on Government the need for funding to tackle sparsity and rurality and the demographic and geographical dynamics of the borough. The Council does, however, recognise that in the context of a new three-year settlement and the recent fair funding changes, short-term solutions seem unlikely.

The national and global economy remains volatile and continues to present significant financial risks to the Council. Persistent inflationary pressures, rising energy and fuel costs, interest rate fluctuations and wider economic uncertainty can create additional unfunded burdens on Council budgets. Continued economic instability may also impact residents' financial resilience, increasing demand for Council services at a time when resources remain constrained. The Council will continue to make best assumptions in MTFPs to cover such risks although events such as the Gulf issues do nothing but increase uncertainty.

Cyber security remains as an ongoing threat to all organisations, not least the public sector and local government, in terms of the impact of lost, corrupted or stolen data with serious implications for potential financial loss and reputational damage. As the Council continues to rely on digital technologies to deliver and transform services and hold sensitive information, maintaining effective cyber security controls, staff awareness and incident response arrangements will remain essential to mitigating this risk.

Workforce capacity and capability must be in place to deliver existing services to minimum standards but also to support the significant transformation and improvement activity required to address the Council's financial challenges. Maintaining a stable, skilled and resilient workforce remains critical to achieving financial sustainability and delivering the Council's strategic objectives – and is at the heart of the Improvement Plan and People Plan. Budget has been applied in 2026/27 budgets to restore capacity previously removed. While this mitigates some risk, it is recognised that recruitment and retention remains a concern and that in some cases capacity and capability may need to be sought from other third parties.

Abnormal financial position compromising decision making processes. The necessity to deliver significant savings, reduce expenditure and reliance on EFS may limit strategic flexibility and increase the risk that decisions prioritise immediate financial outcomes over longer-term service sustainability and demand prevention. Robust governance, decisive and transparent decision making and effective scrutiny arrangements will be essential to ensuring that financial pressures do not detract from long-term strategic decision making although there will inevitably be some compromises, not least around asset management and disposal, recovery of Council balances over time, etc.

External scrutiny and threat of intervention: A consequence of EFS is an increased likelihood of external scrutiny over and above the Improvement Board arrangements established in November 2025. There remains an ongoing risk of Government intervention, including the appointment of envoys or commissioners, should the Council be unable to provide assurance that it has a credible strategy to reduce its reliance on EFS and achieve financial sustainability. The Council is very aware of this risk and would wish to retain control of its own decisions and direction; it is, however, aware of intervention in other authorities where Government have thought it to be necessary. Continued delivery of outcomes from the Improvement Plan and clear evidence of progress will be essential in mitigating this risk.

Breakdown of major contract arising from provider insolvency, poor performance, workforce shortages, contractual disputes or market instability, resulting in service disruption, financial loss, reputational damage and additional management costs.

Given the Council's reliance on a number of significant contracts to deliver statutory and essential services, effective contract management and performance monitoring (part of the Improvement Plan) and business continuity arrangements are critical to reducing the likelihood and impact of this risk.

Scope of Responsibility

Shropshire Council is responsible for ensuring that business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

In discharging this responsibility, the Council is required to put in place proper arrangements for the governance of its affairs and the effective exercise of its functions, including the management of risk. This Annual Governance Statement explains how the Council has complied with the Accounts and Audit Regulations 2015, and how it meets the core principles of Delivering Good Governance in Local Government (CIPFA/SOLACE, 2016) and related guidance.

The Council’s Code of Corporate Governance, located in the Constitution, summarises the Council’s good governance principles and details the actions and behaviours required to demonstrate good governance

Assurance Conclusion

Having considered the evidence from management assurances, Internal Audit, External Audit, peer challenge, and Improvement Board oversight, the Chief Executive and Council Leader’s overall conclusion for 2025/26 is:

- The Council’s governance arrangements remain in transition, reflecting a period of material financial stress and organisational change.
- Arrangements put in place since the Financial Emergency represent significant improvement, but this requires continual improvement and monitoring.
- The Council has acknowledged significant governance issues and has established credible governance responses via the Improvement Plan, People Plan and Improvement Board, enhanced financial controls, and strengthened scrutiny.
- In line with the CIPFA/SOLACE framework and the 2025/26 addendum, our governance framework is **Reasonable**, with proposed improvements both in place and underway to ensure it is applied consistently across the Council. Defined actions are in place to address identified weaknesses, particularly in financial sustainability and control limitations.
- This assessment is taken during an especially difficult period and will continue to require the closest scrutiny from the recently created Statutory Officers Group that includes the Chief Executive, Monitoring Officer and s151 Officer.

The Council will continue to monitor delivery through 2026/27, report publicly on progress, and adjust governance arrangements to ensure they remain robust, transparent, and sustainable, consistent with Best Value expectations.

Certification

Leader of the Council: *[Name]*

Chief Executive: *[Name]*

We certify that the arrangements described above have been in place for **2025/26**, are being strengthened in line with the **Improvement Plan**, and will be subject to ongoing review and reporting to ensure effectiveness.

Appendix A

The Governance Framework

The Council maintains on behalf of Local Authorities a Local Code of Corporate Governance consistent with the CIPFA/SOLACE framework's seven principles (A–G) and the 2025/26 addendum focusing on the annual review of governance, internal controls, and preparation of the Annual Governance Statement (AGS). The governance framework is supported by the Constitution, Scheme of Delegation, member/officer codes, and financial regulations.

Key components of governance include:

- **Purpose, Vision and Priorities**: The Shropshire Plan covered 2022 to 2025 framing corporate priorities, with the Improvement Plan 2025 acting as the first component of the refreshed strategic planning suite (Corporate Plan 2026–30 and MTFS (including Financial Sustainability & Recovery Strategy). The Corporate Plan 2026-2030 (finalised May 2026) is informed by the 'New Direction' ambitions presented to Council in September 2025 which set out the Administration's strategic direction as a precursor to the development of a new strategic plan. The plan sets out the priorities the Council will focus on to deliver, enable, and influence better outcomes for Shropshire and its residents. The proposed Shropshire 2050 Plan is intended to set out the longer-term shared vision and priorities for the county (as a place) that the council will agree and work with partners on.

- **Performance, Risk and Financial Management**: Monthly financial monitoring, strengthened budget assurance, and risk oversight reporting to the Improvement Board, underpinned by an updated Medium Term Financial Strategy (MTFS), Treasury Strategy and budget-setting processes. The Statutory Officers Group (CEO,S151,MO) meet on a bi-weekly basis and the Chief Audit Executive attends those meetings. This has been in operation since October 2025.

- **Transparency and Accountability**: Publication of accounts, AGS, and open committee reports; strengthened scrutiny and external peer challenge (LGA CPC). The Interim Chief Executive wrote to all staff in October 2025 setting out expectations relating to compliance with key policies and procedures which was followed up in April 2026.

- **Capacity and Capability**: A People Plan and organisational model changes to enable delivery; senior management restructure finalised in March 2025 and ongoing implementation through 2025/26. A new Service Director for Strategy and Change commenced in January 2026 who is leading on the development of the programme management office supporting the organisational change.

- **Partnerships and Place**: Alignment with strategic infrastructure and investment planning, economic growth, and transport priorities.

Appendix B

Review of Effectiveness

An annual review of the effectiveness of governance arrangements has been undertaken, drawing on:

- **Management assurances** against the Local Code and CIPFA/SOLACE principles.
- **Internal Audit** work and the annual opinion on the internal control environment. (See Significant Governance Issues.)
- **External Audit** (Grant Thornton) value-for-money commentary and statutory recommendations.
- **Corporate Peer challenge** and oversight by the Improvement Board.
- **Financial monitoring** reports and council decisions relating to the Financial Emergency.

In forming a conclusion, we have also had regard to the Best Value standards and intervention guidance issued in May 2024 under section 26 of the Local Government Act 1999.

Appendix C

Significant Governance Issues (2025/26)

This annual review has identified significant governance issues that persisted or emerged during the 2025/26 financial year, principally linked to financial sustainability and control environment maturity. As set out in the statement 2025/26 has been an unprecedented year for the Council and whilst significant planning and progress has taken place since the declaration of the financial emergency summarised below are the significant governance issues identified for 2025/26.

These issues are fully integrated within the Council's improvement plan subject to scrutiny from, in particular; Cabinet and the independently chaired Improvement Board. In the circumstances they will naturally receive intense ongoing scrutiny from the leadership of the Council, especially the Statutory Officer Group.

1. **Financial Sustainability**
   External Audit identified significant weaknesses and issued a statutory recommendation in light of acute sustainability challenges and a deteriorating overspend position in 2025. The Council declared a Financial Emergency (September 2025), implemented emergency spending controls, and established the externally chaired Improvement Board. An application for Exceptional Financial Support (EFS) was submitted to government in December 2025 as part of a stabilisation plan. The EFS application was approved in February 2026 for 2024/25 and 2025/26 and provisionally for 2026/27, subject to an independent review to be commissioned by MHCLG.

2. **Internal Control**
   The external auditor noted the Chief Audit Executive's (CAE) Limited Assurance opinion over multiple years and emphasised the urgency of addressing recurring control weaknesses and audit recommendation backlog. Management have accepted these findings and integrated remediation into the Improvement Plan workstreams and the corporate risk register.

3. **Budget Monitoring and Reporting**
   Financial monitoring early in 2025/26 projected an adverse variation that could render the authority's position unlawful by year-end without immediate action; subsequent monitoring reaffirmed a worsening position. Controls to stem non-essential spend, strengthen forecasting, and remove optimism bias have been initiated.

4. **Governance of Major Programmes and Capital**
   Progress is underway to strengthen governance around major projects, with the Improvement Board and Cabinet oversight ensuring decision-making is robust and aligned to the Best Value duty and affordability tests within the MTFS.

5. **Capacity, Culture and Operating Model Change**
   The Council continues to embed the senior management restructure and a recently approved People Plan to modernise, build capability, and embed accountability. This is necessary to deliver medium-term transformation and the Improvement Plan.

In response to the significant governance issues, the Council has adopted and is delivering the Improvement and People plans, which set out the governance arrangements, prioritised actions, and assurance mechanisms. In addition to those plans, aligned to the Corporate Governance principles core governance actions for 2026/27 include:

1. Strengthening of Financial Governance (Principles F & G)

- Continue to enforce spending controls through Service Director led approvals processes, overseen by the Technical Board which is chaired by the S151 officer.
- Enhance in-year reporting to maintain a robust MTFS, including narrative reporting of variance analysis to enable greater challenge by Cabinet and Scrutiny.
- Proactive and detailed budget monitoring with oversight of reporting on budget holder engagement.
- A robust and considered approach to the identification and delivery of savings targets.
- Implementation of recommendations issued by External Audit.
- Implement a robust framework to allocate EFS funds to key projects and service areas ensuring compliance with EFS conditions set by government.

2. Internal Control (Principles F & G)

- Continue to implement all outstanding Significant and Fundamental Internal Audit recommendations within agreed timescales with oversight by Statutory Officers Group and the wider senior leadership team.
- Clear organisational principals as part of the People Plan to reaffirm responsibility and accountability.
- Ensure the corporate risk management framework is embedded across the organisation with oversight by the Audit and Governance Committee.
- Greater oversight by the Audit and Governance Committee to address control weaknesses within the governance framework and delivery of corporate aims and objectives.

3. Best Value Duty and External Assurance (Principles A, B, F, G)

- Align Improvement Plan outcomes with the Best Value standards and intervention guidance (May 2024), documenting continuous improvement across seven themes (use of resources; leadership; governance; service performance; financial sustainability; transparency; workforce; partnerships).
- Maintain openness to external challenge (LGA CPC, external audit) with oversight by the Improvement Board, Statutory Officers and Audit and Governance Committee.

4. People and Capability (Principles E & G)

- Continue to implement the Improvement and People plans to build capacity, leadership capability, performance management, and accountability.

- Continue organisational design and workforce planning to support service redesign and demand management.
- Enhance the programme management function and review of its effectiveness.
- Enhance capacity and capability within the commissioning and procurement functions.
- Strengthen contract management controls with oversight by Senior Leadership, Statutory Officers and the Audit and Governance Committee.

5. Programme and Capital Governance (Principles C & D)

- Strengthen business case standards (HM Treasury/Green Book alignment), gateway reviews, and affordability tests across capital and transformation programmes, ensuring alignment with the MTFS and Improvement Board oversight.
- Integrate strategic infrastructure and transport priorities with affordability and risk constraints.

6. Performance, Risk and Transparency (Principles B, F & G)

- Consolidate a single performance dashboard with oversight by the Improvement Board, and Audit & Governance Committee, with public reporting aligned to the defined Corporate Plan outcomes.

Ref	Action	Owner	Timing	Reporting
1.1	Refresh the Council's MTFP including updated assumptions underlying the 2026/27 budget and the application for EFS.	S151	July 2026	Cabinet
1.2	Develop a financial sustainability and recovery strategy addressing elements necessary to contain council spending in future years	S151	July	Cabinet
1.3	Develop new budget planning framework to ensure that future budgeting has full accountability for those responsible for spend and income including plans for delivery.	S151 Corporate/Service Directors	July 2026 to February 2027	Cabinet
1.4	Continue to develop the technical board (budget, transformation and change panel) to capture and challenge all major Council budgets and transformation programmes.	S151	In progress and ongoing	Cabinet/Scrutiny

1.5	Review and enhance ongoing financial management arrangements including financial monitoring, capital programming, asset disposal etc.	S151 Corporate/Service Directors	Q3	Statutory Officers
2.1	Implement all outstanding Significant and Fundamental Internal Audit recommendations.	Executive Directors / Statutory Officers	Q3	A&G Committee; Statutory Officers Group
2.2	Embed organisational principles from the People Plan to strengthen accountability.	Service Director – HR & OD	Q4	People Board; Improvement Board
2.3	Embed corporate risk management framework.	Monitoring Officer / Risk Lead	Q2	A&G Committee; SLT
2.4	Strengthen A&G Committee oversight of control weaknesses and corporate objectives.	Monitoring Officer / Committee Chair	Throughout 2026/27	Audit & Governance Committee
3.1	Align Improvement Plan outcomes to Best Value standards and 2024 intervention guidance.	Chief Executive / Improvement Board Chair	Q2	Improvement Board;
3.2	Maintain openness to external challenge (LGA CPC, External Audit).	Chief Executive / Statutory Officers	Throughout 2026/27	LGA CPC; External Audit; A&G Committee
4.1	Continue implementation of the Improvement and People Plans to build leadership capability and accountability.	Chief Executive / HR & OD	Q4	People Board; Improvement Board
4.2	Progress organisational design and workforce planning.	Service Director – HR & OD	Q3	People Board
4.3	Enhance programme management function and review effectiveness.	Service Director – Strategy & Change	Q2	Improvement Board
4.4	Strengthen commissioning and procurement capability.	Service Director – Resources / Procurement Lead	Q3	Improvement Board
4.5	Strengthen contract management controls.	Executive Directors	Q4	SLT; A&G Committee

5.1	Strengthen business case standards (Green Book alignment), gateway reviews, and affordability tests.	Service Director – Strategy & Change	Q2	Improvement Board; Cabinet
5.2	Integrate strategic infrastructure and transport priorities with affordability/risk constraints.	Executive Director – Place	Q4	Cabinet; Improvement Board
6.1	Consolidate a single performance dashboard aligned to Corporate Plan outcomes.	Service Director – Strategy & Change	Q2	Improvement Board; A&G Committee

Shropshire Council Local Code of Corporate Governance

Overview of Core Principles A-G

Principle A
Integrity and Ethics

Integrity, ethical value and rule of law

Principle B
Openness and Engagement

Openness and comprehensive stakeholder engagement

Principle C
Sustainable Outcomes

Sustainable economic, social and environmental outcomes

Principle D
Interventions

Effective interventions to achieve outcomes

Principle E
Capacity and Capability

Leadership, workforce and organisational capacity

Principle F
Risk and Finance

Risk, performance, internal control and financial management

Principle G
Transparency and Assurance

Transparency, reporting, audit and accountability

Shropshire Council Local Code of Corporate Governance
Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Behaving with Integrity
- Code of Conduct for Members and Employees
- Standards and Standards Sub-Committee
- Standard report format for Council, Cabinet and Committee reports
- Counter Fraud, Bribery and Anti-Corruption Policy
- Speaking Up About Wrongdoing policy incorporating the Whistleblowing Policy
- Standards Hotline
- Annual Whistleblowing Report
- Register of Interests for Members and Employees
- Gifts and Hospitality records
- Customer Feedback and Complaints

Ethical Values
- Constitution includes delegations and decision-making process
- Terms of Reference for Committees
- Contract Procedure Rules
- Financial Rules
- Stakeholder consultation
- Customer Feedback and Complaints
- Employee surveys

Rule of Law
- Monitoring Officer
- Counter Fraud, Bribery and Anti-Corruption Policy
- Legal and Democratic Services Officers
- Health and Safety Policies and Annual Report to Cabinet
- Committee Report format includes human rights and wider legislation considerations
- Exemption Requests approved by Monitoring Officer and reported to Audit and Governance Committee

Shropshire Council Local Code of Corporate Governance
Principle B – Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Openness
- Publication scheme, access to information and FOI
- Information Governance Team
- Annual mandatory training for staff
- Standard report format for Council, Cabinet and Committee reports
- Public meetings, webcasts, agendas, reports and minutes published
- Financial Strategy / MTFS
- Improvement Plan
- People Plan
- New Direction

Engaging Comprehensively with Institutional Stakeholders
- Consistent communications and branding
- Shropshire Council website,
- Shropshire Council Newsroom
- Social media channels
- Customer Services
- Voluntary and Community Sector Assembly
- Partnership working

Engaging Stakeholders Effectively Including Individual Citizens and Service Users
- Online consultation portal
- Making it Real Framework for Adult Social Care
- Locality Commissioning
- Customer Feedback and Complaints

Shropshire Council Local Code of Corporate Governance
Principle C – Defining outcomes of sustainable economic, social and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Defining Outcomes
- Financial Strategy / MTFS
- Improvement Plan
- People Plan
- New Direction
- Core Strategies e.g. Economic Growth and Climate Change
- Performance Management Framework
- Performance reporting and Power Bi dashboard
- Project Management Office (PMO)

Sustainable economic, social and environmental benefits
- Climate Change Strategy and consideration in all Council, Cabinet and Committee reports.
- Economic Growth Strategy
- Social Value Charter and Commissioning team

Shropshire Council Local Code of Corporate Governance
Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Determining Interventions
- Standard report format for Council, Cabinet and Committee reports including resources and ESHIA
- Commissioning Team
- Annual Governance Statement

Planning Interventions
- Public engagement on budget
- Performance Information and Power BI dashboard
- Performance Management Framework
- LGA Corporate Peer Challenge
- Improvement Board

Optimising Achievement of Intended Outcomes
- Annual budget aligned to priorities
- Financial Strategy / MTFS
- Social Value
- Risk Management

Shropshire Council Local Code of Corporate Governance

Principle E – Developing the Entity's Capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Developing the Entity's Capacity
- Member induction
- Member and Officer Protocol
- Local Member Protocol
- Workforce Strategy
- Staff Induction and training
- Apprenticeship Schemes

Developing the Capability of the Entity's Leadership and other individuals
- Member and Officer Protocol
- Scheme of Delegation
- Financial and Contract Rules
- Member and staff induction
- Members Development training
- Staff PDP process
- Health and Safety Policies
- Coaching Connections network
- Corporate training
- Apprenticeship Schemes
- Senior Leadership Forum and weekly Chief Executive updates

Shropshire Council Local Code of Corporate Governance

Principle F – Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Manging Risk
- Risk Management Team
- Risk and Opportunity Management Framework and Strategy
- Strategic risk register
- Operational risk registers
- Project risk registers
- Annual Governance Statement
- Business Continuity

Managing Performance and Robust Internal Control
- Overview and Scrutiny Committees
- Standard report format for Council, Cabinet and Committee reports
- Public meetings, webcasts, agendas, reports and minutes published
- Internal Audit risk based plan
- Internal Audit QAIP
- Audit and Governance Committee
- Head of Internal Audit Annual Opinion

Data and Financial
- Information Governance Team
- Information Security Policy
- Data Protection and Data Sharing Protocols
- Publication scheme, access to information and FOI
- IGLOO and ISG groups
- Audited Statement of Accounts
- Annual Governance Statement
- Financial reporting
- Budget monitoring
- Treasury Management Strategy

Shropshire Council Local Code of Corporate Governance

Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Implementing Good Practice in Transparency
- Public meetings, webcasts, agendas, reports and minutes published.
- Implementation of National Transparency Code
- Council and Cabinet forward plan
- Key decisions published
- Cabinet decisions within policy framework

Implementing Good Practice in Reporting
- Annual Financial Statements
- Performance Management Framework
- Annual Scrutiny reports to Council
- Annual Portfolio Holder reports to Council
- Annual Governance Statement
- Monthly/ Quarterly financial reporting
- Financial Strategy / MTFS
- Quarterly performance reporting

Assurance and Effective Accountability
- Annual Governance Statement and governance framework
- Head of Internal Audit Annual Opinion
- Annual Audit and Governance Committee report to Council
- External Audit Value for Money Opinion
- External Audit of Financial Statements
- Peer challenge reviews
- Inspections