

Appendix B

Shropshire Council Local Code of Corporate Governance

LOCAL CODE OF CORPORATE GOVERNANCE

INTRODUCTION

The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) defines governance as follows:

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved”

The International Framework also states that:

“To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times.”

“Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.”

GOOD CORPORATE GOVERNANCE

Shropshire Council is committed to achieving good corporate governance and this Local Code describes how the Council intends to achieve this in an open and explicit way. The local code is based upon the CIPFA SOLACE framework “Delivering Good Governance in Local Government” (April 2016 and the addendum published in May 2025). As laid out in the guidance it *“is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities”*. Consequently, the local Code has been written to reflect the Council’s own structure, functions, and the governance arrangements in existence.

The local code is based on the following seven principles, the first two of which underpin the remaining five with the overall aim of “Achieving the intended outcomes while acting in the public interest at all times”.

The principles are as follows:

Acting in the public interest requires a commitment to and effective arrangements for:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.

In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance also requires a commitment to and effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Many of the requirements of the code are included in the Council's constitution and the Council's key strategies and policies.

Library folder - Shropshire Council Constitution — Shropshire Council

MONITORING AND REVIEW

The Code of Corporate Governance is subject to annual review by Internal Audit and used to inform the Annual Governance Statement (AGS). This review includes an assessment as to the effectiveness of the processes contained within the Code. This includes annual assessments such as:

- Annual review of the Constitution
- Annual reports of portfolio holders
- Annual reports of the Scrutiny Committees
- Head of Internal Audit Annual Report
- Audit and Governance Committee Annual Report
- Council Customer Feedback Report – Complaints, Compliments and Comments
- External Audit Annual Letter

The outcome of this review is reported in the Annual Governance Statement.

The following details how the Council meets the core principles and the systems, policies and procedures it has in place to support this.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Rational: 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.	Shropshire Council's commitment to achieving good governance is demonstrated below: Behaving with integrity • Code of Conduct for members to ensure that high standards of conduct are maintained. • The Monitoring Officer will review, and where appropriate investigate, any breaches of the Member Code of Conduct. • The Localism Act 2011 abolished the requirement for the Council to have a statutory Standards committee though the Council has retained a non-statutory committee that can meet if required. The Standards Sub Committee has met in 2025/26. • An Employee Code of Conduct establishes the standards of behaviour and conduct the Council requires of its employees. • Standard decision-making reporting format ensures that all those responsible for taking decisions have the necessary information on which to do so. • An Anti-Fraud and Corruption Strategy supported by a Counter Fraud, Bribery and Anti-Corruption Policy which includes a Fraud Response Plan and a Speaking Up About Wrongdoing Policy "Whistleblowing Policy". The strategy is supported by a Whistleblowing hotline for use by employees, stakeholders or the public to report irregularity and fraud. The Audit and Governance Committee receive an annual report of whistleblowing activity. • Code of Conduct in relation to the acceptance of gifts and hospitality for members and officers is held and all instances must be recorded. • In accordance with the Localism Act 2011 Registers of Members' disclosable and other registerable interests are recorded and published on the Council's website. • Members' declaration of interests, a standing item on all agendas. Minutes show declarations of interest were sought, and appropriate declarations made. • Protocols exist for members on Council Representation on various outside bodies. • A Corporate Feedback Policy that is published on the Council's website and is supported by a Complaints, Compliments and Suggestion on-line form. Demonstrating strong commitment to ethical values • A Constitution which sets out delegations of the Council, committees and senior officers, and the decision-making process to be applied. It also emphasises that the Council will act within the law. • Terms of Reference exist for all committees. • The Council have both Contract Procedure Rules defining the Council's process for all contracts for services and Financial Procedure Rules defining the safeguards and controls in place for managing public
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| | <p>money and assets, and these are reviewed on a regular basis.</p> <ul style="list-style-type: none"> • The Council consults with stakeholders and other interested parties to seek feedback before developing key operational documents. • The Council has a clear, well publicised complaints procedure which requires complaints to be dealt with rigorously and promptly. Complaints are monitored by management and Cabinet, together with improvement actions arising from them. • Employee surveys are conducted and employees are consulted on workforce changes to identify actions for improvement. <p>Respecting the rule of law</p> <ul style="list-style-type: none"> • The Constitution identifies the Service Director – Legal and Governance as the Council's Monitoring Officer and sets out their role. • An Anti-Fraud and Corruption Strategy supported by a Counter Fraud, Bribery and Anti-Corruption Policy which includes a Fraud Response Plan and a Speaking Up About Wrongdoing Policy "Whistleblowing Policy". The strategy is supported by a Whistleblowing hotline for use by employees, stakeholders or the public to report irregularity and fraud. Audit and Governance Committee receive an annual report of whistleblowing activity. • Officers in Legal and Democratic Services play a key role in ensuring that the principles enshrined in the Constitution, sustainable decision making, robust scrutiny, rules of natural justice, standards of conduct, efficiency, transparency, legality and high standards of corporate governance are delivered in practice through the Council's decision-making process. The Service provides advice and guidance on the interpretation of legal developments and has legal officers who are experts in specific areas of Council activities. • Where there have been instances of non-compliance with the Contract Procedure Rules, and where the recognised approval process has been circumvented these have been identified and escalated to the top of the Council for action. • Where there have been breaches in Health and Safety Legislation these have been immediately actioned upon discovery. • All Committee reports require their authors to address the impact of the recommendations with respect to human rights and wider legislation including the Public Sector Equality Duty. • Details of exemption requests and approvals are reported to the Audit and Governance Committee as part of the exempt agenda. |
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Core Principle B: Ensuring openness and comprehensive stakeholder engagement

Rational: Local	Shropshire Council's commitment to achieving good governance is demonstrated below:
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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

- Adoption of a Publication Scheme that describes the kinds of information available and provides guidance about how to access personal information and submit a Freedom of Information request.
- The Council has a small Information Governance team committed to ensuring the principles of Data Protection, Freedom of Information and Transparency are followed and all staff and members are required to undertake data protection training on an annual basis.
- Adoption of a standard reporting format in relation to committee reports. The format includes a risk assessment and opportunities appraisal together with the financial implications attached to any recommendations, and appropriate background papers are cited to ensure full transparency.
- Council and Cabinet meetings are webcast. Agendas, reports and minutes are published on the Council's website. Meetings are open to the public except in the case of exempt items.
- Dates for submitting, publishing and distributing timely reports are set and adhered to.
- The Financial Strategy sets out the Council's mission and priorities, these have been revisited alongside delivery of a programme of transformation.
- The Shropshire Accord is a cross-cutting piece of work that links with all themes within the Shropshire Plan due to its focus on supporting partnership working between the voluntary and community sector (VCS) and public sector partners. The Shropshire Accord aims to enhance collaboration between Shropshire Council, public bodies, and the Voluntary, Community, and Social Enterprise (VCSE) sector. The Accord is designed to foster partnership and mutual accountability across sectors to improve services and outcomes for the community. It sets out a series of shared commitments and values, outlining how the sectors wish to work together and what they can expect from each other.

Engaging comprehensively with institutional stakeholders

- The Council recognises the importance of communicating its vision and uses several channels to this effect. The Corporate Plan 2026-2030 (due to be finalised May 2026: Informed by the 'New Direction' ambitions, the plan will set out the priorities the Council will focus on to deliver, enable, and influence better outcomes for Shropshire and its residents. The Shropshire 2050 Plan: Sets out the longer-term shared vision and priorities for the county (as a place) that the council will agree and work with partners on.
- The Council aims for a consistent approach to communication, reaching and targeting the key customers, stakeholders and partners in the most appropriate way.
- The Council aims to improve engagement through consistent branding, so that our stakeholders know what we do and who to contact. This ensures compliance with the Code of Recommended Practice on Local Authority Publicity March 2011. This requires all Council publicity aimed at the public to be clearly and unambiguously identified as being produced by the Council. Material produced should make this evident.
- Our website can help residents understand the Council's vision and purpose and how to access services

	on a day-to-day level. • The Shropshire Newsroom hosts all the latest Council news stories with podcasts, videos and photographs available from the corporate Flickr account. • The Council works with colleagues in the local, regional and national media to complement Shropshire Newsroom and ensure people have access to information about the Council. • The Council uses relevant social media, as a method of disseminating our information and listening to feedback on issues as they arise. • Customer Services are available virtually, digitally and through access points around the County supported by mobile hubs in the more remote areas. Customer Services are the main first point of contact enabling people to be more efficiently directed to the services they need. • The Council uses the Voluntary and Community Sector (VCS) Assembly weekly news bulletin to promote consultations, policy news, engagement opportunities and partnership working opportunities across the voluntary and community sector. • The Council engages positively and sets out to work in a collaborative open partnership approach with several strategic partners including Central Government departments (Cities and Local Growth Unit, Homes and Communities Agency) and neighbouring local authorities. It is a non-constituent member of the West Midlands Combined Authority; has a proactive Business Board which it services and engages with on key initiatives and policies, which in turn has informed the Local Economic Growth Strategy. The management of One Public Estate continues with other public sector partners. A multi-agency high-cost placement funding panel with Children's Services, Education Services and the Clinical Commissioning Group (CCG) is established to manage high cost placements efficiently. Engaging stakeholders effectively including individual citizens and service users • The Council seeks the views from individuals, organisations and businesses on several areas. All Council surveys are delivered online using the corporate approved consultation portal. Links to current consultations are published on the website. Some recent examples of consultations undertaken include budget consultation, the future of Shropshire Tourism, services for adults with learning disabilities and autism and an All-age Autism Strategy. The full list of consultations undertaken is available on the Council website. • Shropshire's Making It Real partnership was set up by Shropshire Council in response to the national 'Think Local Act Personal' initiative and Making it Real Framework. The aim of 'Making it Real' is for personalisation to be a reality for people who use adult social care services. This approach is driven through a series of 'I' statements outlining how adult social care should best meet people's needs; enabling people to live full and independent lives. The partnership works with the local authority to ensure this approach is adopted locally, through influencing and shaping adult social care services in Shropshire. • Local consultation continues for specific consultation and engagement activity for services and service
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	areas. Locality commissioning activity involves engagement with communities and service user groups. These have helped to identify the needs and priorities of our citizens and make these our key areas for service delivery. Feedback from such events is used to develop strategic plans, priorities and targets. Widespread local consultation has taken place via service user and customer feedback surveys, public meetings and local partnerships to identify the needs and priorities of our citizens and make these our key areas for service delivery. • The Council has a clear, well publicised complaints procedure which requires complaints to be dealt with rigorously and promptly. Complaints are monitored by management and Cabinet, together with improvement actions arising from them.
Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits	
Rationale: 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.	Shropshire Council's commitment to achieving good governance is demonstrated below: Defining Outcomes • The Corporate Plan 2026-2030 (due to be finalised May 2026: Informed by the 'New Direction' ambitions, the plan will set out the priorities the Council will focus on to deliver, enable, and influence better outcomes for Shropshire and its residents. The Shropshire 2050 Plan: Sets out the longer-term shared vision and priorities for the county (as a place) that the council will agree and work with partners on. • Core strategic plans (such as the Economic Growth and Climate Change Strategies) set out specific aims in detail and compliment the overall Corporate Plan. • There is a clear reporting mechanism for performance information which is presented alongside the financial information for the corresponding period to the Transformation and Improvement Overview and Scrutiny Committee. Areas of concern are identified and reported quarterly, and exceptions are monitored more frequently; e.g. monthly, providing greater detail and explanation of the issues and actions being taken. The reports are presented to senior managers and Cabinet. The underlying detailed dashboards are also available to Scrutiny members who can identify specific issues they may want to consider. Cabinet may ask Scrutiny to look at specific issues of on-going concern. Performance reporting is managed through Power BI dashboards. • The Council have established a programme management office (PMO) function under the management of the Service Director for Strategy and Change. Sustainable economic, social and environmental benefits • The Council has; a Climate Change Strategy, highlighting its commitment to sustainable environment; an Economic Growth Strategy which lays out its approach to sustainable development; a Commercial Strategy which lays out its approach to becoming a more commercially focused organisation embracing

	commercial culture in terms of how the Council acts to ensure the delivery of high quality services as efficiently and effectively as possible and a Social Value Charter, designed to assist commissioners and procurers to maximise opportunities to improve the social, economic and environment condition of our local area through effective commissioning and procurement. • Climate change is considered in all reports which have a recommendation for a decision. • Resources are employed to assist commissioners and procurers to demonstrate the range and amount of social value generated or the financial value to society because of the added social value.
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Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Rationale: 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	Shropshire Council's commitment to achieving good governance is demonstrated below: Determining interventions • A standardised format of decision-making reports is used to ensure that all relevant information is considered such as analysis of options, resource implications, and outcomes of Equality and Social Inclusion and Health Impact Assessment (ESHIA), etc. Options are clearly defined and analysed to ensure decisions are based on the best possible information. • A 'Third Party Spend' Programme that has centralised/consolidated the Commissioning function and focussed on delivering cross-council transformation on processes involving external spending, achieving financial savings, and implementing robust contract management and procurement practices. This is programme three of the Improvement Plan. • An Annual Governance Statement signed by the Leader of the Council and the Chief Executive Officer/Head of Paid Service includes an action plan identifying areas for improvement. Planning interventions • A Local Government Association (LGA) Corporate Peer Challenge was delivered in July 2025, and reported to Full Council on 25th September 2025, provided observations and recommendations for improvement, including addressing the financial position and other areas of how the Council operates. • An action plan including initial activity against the recommendations made by the LGA Corporate Peer Challenge was reported to the Cabinet on 15th October 2025. Those actions are included within the Improvement Plan. • One of the key recommendations from the LGA Peer Challenge was to establish an independently chaired Improvement Board. The Board met for its first meeting on 10th November 2025 and will continue to provide external advice, challenge, and expertise to the Council in driving forward the delivery of the Improvement Plan. • The Corporate Plan 2026-2030 (due to be finalised May 2026: Informed by the 'New Direction' ambitions,
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ensure that achievement of outcomes is optimised.	the plan will set out the priorities the Council will focus on to deliver, enable, and influence better outcomes for Shropshire and its residents. The Shropshire 2050 Plan: Sets out the longer-term shared vision and priorities for the county (as a place) that the council will agree and work with partners on. • The Council sought opinions on future budget proposals. They set out what the financial issues were and invited the public to engage on them. As detailed earlier, there is a clear reporting mechanism for performance information which is presented alongside the financial information for the corresponding period and subject to scrutiny at all levels. • The Council's performance framework links directly to the Council's outcomes through the Shropshire Plan. Performance is reported quarterly to members through Cabinet, and in more detail to Scrutiny Committees. Optimising achievement of intended outcomes • The annual budget is prepared in line with agreed priorities. The Council publishes its Financial Strategy annually to set an indicative three-year financial plan to fit the longer-term strategic vision as well as a detailed one year budget. This is intended to include realistic estimates of revenue and capital expenditure. • Resources are employed to assist commissioners and procurers to demonstrate the range and amount of social value generated or the financial value to society because of the added social value. • Risk management arrangements that are embedded across all service areas and help inform decision making.
Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	
Rationale: 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	Shropshire Council's commitment to achieving good governance is demonstrated below: Developing the entity's capacity • There is a member induction programme in place, supporting and developing newly elected members. Development interventions are designed in the context of what individual members say they require during their one to one development reviews, and what their roles and responsibilities dictate they need. Member secretaries provide support, and the Member and Officer Protocol clearly stipulates officers' duties to provide professional and technical advice to all members not just those within the Executive. The Local Member Protocol guides members and officers to behave in a way that promotes excellent communication and mutual respect. • The Council recognises that transformation is required for a sustainable budget. EFS application has been approved part of this will be used to develop capacity and re-establish the PMO to lead on transformation. Actions in year include the Corporate Peer challenge, New Direction Paper, Improvement Plan and People Plan. A new Corporate plan is due to be published in May 2026.

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.

- A Workforce Strategy was adopted to ensure the Council has the right people with the right skills in the right place, at the right level and cost to enable the Council to meet its strategic objectives. A People plan was approved by Cabinet which includes improvement actions aligned to developing the entity's capacity. This includes the development of a new Workforce Strategy.
- The Council actively promotes the use of Leap into Learning, an online learning and training platform that allows courses to be tailored to individual officers. This has been extensively used to deliver e learning to a wide variety of employees and to support more conventional training methods by providing a booking and attendance system.
- The Council actively promotes the development of staff through work-based apprenticeship schemes.

Developing the capability of the entity's leadership and other individuals

- Protocol on Member/Officer Relations that assists both members and officers achieve good working relationships in the conduct of Council business.
- Scheme of Delegation that is reviewed annually considering legal and organisational changes.
- Constitution that sets out financial management arrangements through the Financial Regulations and Contract Procedure Rules.
- Member Development is managed via the Group Leaders and training is provided as needed. Members are updated on legal and policy changes etc. as required.
- Induction programmes for all members and employees.
- Training for employees is made available through Leap into Learning which provides all employees with access to online training courses that can be tailored to the individual, dependent upon role undertaken.
- Staff are regularly appraised through the annual Personal Development Planning (PDP) Process which includes the identification of training and development needs and drawing up of training action plans to address these.
- Apprenticeship Programme offering training, skills and experience in local government.
- Health and Safety policies designed to protect and enhance the welfare of staff are actively promoted and monitored.
- A coaching connections network group helps to build a pool of people who are skilled in facilitating personal development tools and to develop internal coaching capacity. This network provides group and individual personal development and coaching support to help people through change.
- The Council has a weekly update from the Chief Executive to keep individuals abreast of corporate initiatives and major events. Details are also included on the Shropshire Council website through the Newsroom.

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

Rationale: 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,	Shropshire Council's commitment to achieving good governance is demonstrated below: Managing risk • Risk management arrangements that are embedded across all service areas and help inform decision making. • Risk and Opportunity Management Framework that is subject to annual review and reported to the Audit and Governance Committee on an annual basis. • Responsibilities for managing individual risks are contained within the Opportunity Risk Management Strategy. • The Senior Management Team regularly reviews the strategic risk register and seeks assurances that it is kept up to date and actions to mitigate risks are implemented. • Operational risks are reviewed by risk owners on a regular basis. • Council strategic risks have been identified, aligned to the Annual Governance Action Plan and a member of the Senior Management Team assigned as the risk owner. Risk profile and actions plans have been put in place to ensure the risks are mitigated effectively and are reviewed monthly. • Business Continuity processes have continued to operate thorough the year to manage the risks caused by flooding. Managing performance • The Council has four overview and scrutiny committees which operate under clear terms of reference and rules of procedures laid down in the Constitution. Scrutiny Committee chairs and members have clearly laid down accountabilities in the Constitution. Members may not participate in the scrutiny of decisions they were involved in. • The Council is part of a long standing and effective Joint Health Overview and Scrutiny Committee with Telford and Wrekin Council. This reflects the reality that most substantial changes to services covered by the statutory duties for Health Scrutiny affect services across both local authority areas and as such would need to be looked at jointly, in line with regulatory direction. • There is a standardised format for all committee reports which includes background to the report, any recommendations that decisions need to be made upon together with reasons behind those recommendations. A SharePoint site facilitates approval of draft reports prior to Cabinet by key officers. • Reports, minutes and decisions under member consideration are published on the website and are available in hard copy in a variety of formats on request. • Contract Procedure Rules and Financial Procedure Rules set out the Council's arrangements and ensure that processes continue to operate consistently. • An effective internal audit service is resourced and maintained as evidenced by an External Quality

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.	Assurance review 2021/22. The next external assessment is due by March 2027, in intervening years a self-assessment is completed and reviewed by the S151 Officer and presented to the Audit and Governance Committee. Internal Audit prepares and delivers a risk-based audit plan in line with Public Sector Internal Auditing Standards which is kept under review to reflect changing priorities and emerging risks. • The Council continues to benchmark some services to assist in identifying areas for review and to ensure that as many performance indicators as possible are performing to the standards that the Council sets. This includes the use of peer reviews to ensure efficiency of operations and learning from External statutory reviews, i.e. Ofsted, Local Government Association Finance and Overview and Scrutiny reviews. • Most financial decisions are reported through to Cabinet, Council and Scrutiny Committee in an appropriate and transparent basis and challenge welcomed from members and officers. All budgets, actuals and variances are reported regularly with supporting information trails. The Financial Strategy identifies a short-term budget plan and a long-term aspirational plan aligned to the outcomes identified in The Shropshire Plan. A full risk assessment is undertaken in support of this. Final Accounts are produced on time and in-line with statutory deadlines and best practice. • Budget monitoring is undertaken monthly, reporting into Cabinet. Quarterly budget monitoring reports are presented to Council. • The Corporate Performance Management Framework including new Service planning and PDP process was developed and implemented in early 2023, and reporting takes place each quarter via the online dashboard. Robust internal control • In March 2025, a complete senior management restructure was finalised. The new structure and Council operating model was implemented during the 2025/26 financial year. • There is an effective apolitical Audit and Governance Committee with clear terms of reference which are reviewed annually and based on the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Guidance. • The Audit and Governance Committee, which is independent of Cabinet, oversees the management of governance issues, risk management framework, internal control environment, financial reporting and Treasury Management. • An independent Audit and Governance Committee member was appointed in early 2023. • There is a formally agreed Audit and Governance Committee work plan and training schedule. • An annual report is produced by Internal Audit which provides an opinion on the Council's control environment, and a self-assessment of its arrangements against the public sector internal audit standards and CIPFA's guide to the role of the Head of Internal Audit. • Anti-Fraud and Corruption Strategy which is subject to annual review and is approved by the Audit and
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	Governance Committee. • Quarterly fraud reports to the Audit and Governance Committee summarise anti-fraud activity in the year. • An Annual Governance Statement (AGS) that is subject to review by the Audit and Governance Committee. • Training is provided to Audit and Governance Committee members on areas relevant to their role. • There are frameworks in place in relation to child and adult safeguarding. Managing data • The Council has a small Information Governance team committed to ensuring the principles of Data Protection, Freedom of Information and Transparency are followed. • Information Governance Leadership and Oversight Group (IGLOO) and the Information Governance and Information Security Group (ISG) provide a clear process for the consideration and escalation of information governance and security risks. The groups include attendance from across the Council. IGLOO focusses on decisions, compliance and oversight and improvements have been evidenced in response to ICT security and infrastructure concerns. • Information governance and security awareness including individual responsibilities and good practice is raised and embedded with officers and elected members through the mandatory information governance and cybersecurity training. This is reinforced via targeted communications and more recently phishing simulations. Where staff and members do not complete the mandatory Cyber Security and Data Protection training their IT access is restricted until complete. • The Council's Information Security Policy provides guidance on the arrangements that must be in place to ensure personal data is kept protected and secure. • Effective information sharing is undertaken in accordance with the Data Protection Act and the Council's Data Protection Policy. • Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the Council's overall Privacy Notices published on our website and individual Privacy Statements on forms, in booklets etc. • A formal Data Sharing Framework Protocol between Shropshire and Telford and Wrekin Partnership in respect of jointly delivered health services. Strong public financial management • An audited and signed Statement of Accounts is published on an annual basis containing: - A statement of responsibilities for the Statement of Accounts. - A statement of the Council's accounting policies. • An Annual Governance Statement signed by the Leader of the Council and the Chief Executive Officer/Head of Paid Service.
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- Financial procedures are documented in the Financial Regulations.
- In September 2025 the Council declared a financial emergency, which has shaped the development of the Improvement Plan, the updated Shropshire Plan and the Medium-Term Financial Strategy.
- The financial position is reported monthly to Cabinet.
- A new Treasury Management Strategy for 2025/26 was documented and approved and the strategy for 2026/27 has recently been approved.
- Most financial decisions are reported through to Cabinet, Council and Scrutiny Committee in an appropriate and transparent basis and challenge welcomed from members and officers. All budgets, actuals and variances are reported regularly with supporting information trails. The Financial Strategy identifies a short-term budget plan and a long-term aspirational plan aligned to the outcomes identified in The Shropshire Plan. A full risk assessment is undertaken in support of this. Final Accounts are produced on time and in-line with statutory deadlines and best practice.
- Budget monitoring is undertaken monthly and is reported to Cabinet and quarterly to Council.

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

Rationale: 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.

Shropshire Council's commitment to achieving good governance is demonstrated below:

Implementing good practice in transparency

- Agendas, reports and minutes are published on the Council's website.
- Adoption of a style guide document that outlines how to communicate more effectively and to ensure communications are consistent and clear.
- Adoption of and implementation against the National Transparency Code.
- The Cabinet is the Council's key decision-making body and makes decisions within the policy framework approved by Full Council. It is made up of the Leader, who is elected by the Council, and up to nine other members. When key decisions are to be discussed or made, these are published in the Cabinet forward plan in so far as they can be anticipated. If these key decisions are to be discussed with Council officers at a meeting of the Cabinet, this will be open for the public to attend except where personal, confidential or otherwise exempt matters are being discussed. The Cabinet must make decisions which are in line with the Council's overall policies and budget. If it wishes to decide something which is outside the budget or policy framework, this must be referred to the Council to determine.

Implementing good practice in reporting

- Annual Financial Statements are compiled, published to timetable and included on the Council's website.
- The Corporate Performance Management Framework including new Service planning and PDP process was developed and implemented in early 2023, and reporting takes place each quarter via the online

	dashboard. • An annual report from each of the scrutiny committees is presented to Council alongside reports from the portfolio holders; the scrutiny reports detail the past work of the Committees, the present work and future. • Completion of an Annual Governance Statement (AGS). • The Corporate Plan 2026-2030 (due to be finalised May 2026: Informed by the 'New Direction' ambitions, the plan will set out the priorities the Council will focus on to deliver, enable, and influence better outcomes for Shropshire and its residents. The Shropshire 2050 Plan: Sets out the longer-term shared vision and priorities for the county (as a place) that the council will agree and work with partners on. Assurance and effective accountability • The AGS sets out the Local Code and the results of the annual review of the effectiveness of the Council's arrangements. The AGS includes areas for improvement. • An effective internal audit service is resourced and maintained. The Service has direct access to members and provides assurance on governance arrangements via an annual report containing an opinion on the Council's internal control arrangements. • External Audit provides an annual opinion on the Council's financial statements and arrangements for securing Value for Money. • The Council actively welcomes peer challenge, reviews and inspections from regulatory bodies. • The Shropshire Accord is a cross-cutting piece of work that links with all themes within the Shropshire Plan due to its focus on supporting partnership working between the voluntary and community sector (VCS) and public sector partners. The Shropshire Accord aims to enhance collaboration between Shropshire Council, public bodies, and the Voluntary, Community, and Social Enterprise (VCSE) sector. The Accord is designed to foster partnership and mutual accountability across sectors to improve services and outcomes for the community. It sets out a series of shared commitments and values, outlining how the sectors wish to work together and what they can expect from each other. • The Annual Assurance Report from the Audit and Governance Committee to Council follows a consistent structure and message. The core purpose is to provide Full Council with an objective, formal assurance statement on the effectiveness of: • governance • risk management • internal control • internal and external audit • financial reporting arrangements
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Appendix B – Shropshire Council's Corporate Governance Framework

Shropshire Council Local Code of Corporate Governance



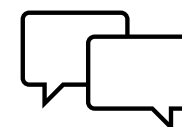
Overview of Core Principles A-G

Principle A **Integrity and Ethics**



Integrity, ethical value and rule of law

Principle B **Openness and Engagement**



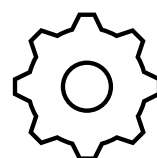
Openness and comprehensive stakeholder engagement

Principle C **Sustainable Outcomes**



Sustainable economic, social and environmental outcomes

Principle D **Interventions**



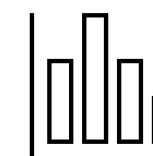
Effective interventions to achieve outcomes

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.

Managing 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