Finance & Improvement Overview & Scrutiny Committee – 30/11/26

Cabinet – 02/12/26

Full Council – 10/12/26

Public

Improvement Plan: Annual Review & Refresh

Cabinet Member:	Councillor Heather Kidd, Leader Councillor Alex Wagner, Deputy Leader
Lead Director:	Jo Brown – Corporate Director, Change and Improvement
Service Area:	Strategy & Change
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Electoral Divisions Affected	All Divisions
Key Decision?	Key/Non-Key
Cabinet Forward Plan	Yes - 25 September 2026
Report considered by:	Finance and Improvement O&S Committee - 30 September 2026 Cabinet – 2 December 2026 Full Council – 10 December 2026

1. Purpose of Report

1.1 To present an annual review of the Improvement Plan, including examples of progress and impact (**Appendix A**), and propose new improvement projects that respond to recent external review recommendations and align with the current operating context (**Appendix B**). A refresh of the Plan is required to ensure it remains effective in supporting the Council to respond to the challenges it is facing. Reviewing the Plan and progress against it, along with learning from experience of delivering it to date, helps inform the refresh and reprioritisation of our organisational improvement activity.

2. Recommendations

Finance & Improvement Overview and Scrutiny Committee (30/11/26) is recommended to:

2.1 Consider the annual review of the Improvement Plan (and People Plan), summarised at **Appendix A**

2.2 Consider the proposed priority programmes that will form the basis of an updated Improvement Plan (summarised at section 6 and in **Appendix B)** and agree any observations and comments to be shared with Cabinet when they consider the Plan.

2.3 Note that the updated Improvement Plan, and its priority programmes of action, will form the basis of the Organisational Improvement element of an overall Transformation, Improvement and Change (TIC) Portfolio.

Cabinet (02/12/26) is recommended to:

2.4 Consider the annual review of the Improvement Plan (and People Plan), summarised at **Appendix A**

2.5 Consider and agree the proposed priority programmes (summarised at section 6 and in **Appendix B),** that will form the basis of an updated Improvement Plan and recommend their approval at Full Council on 10th December 2026.

2.6 Note that the updated Improvement Plan (including the People Plan), and its priority programmes of action, will form the basis of the Organisational Improvement element of an overall Transformation, Improvement and Change (TIC) Portfolio.

Full Council is recommended to:

2.7 Note the annual review of the Improvement Plan (and People Plan), summarised at **Appendix A**

2.8 Approve the proposed priority programmes (summarised at section 6 and in **Appendix B)** that will form the basis of an updated Improvement Plan.

2.9 Note that the updated Improvement Plan (including the People Plan), and its priority programmes of action, will form the basis of the Organisational Improvement element of an overall Transformation, Improvement and Change (TIC) Portfolio.

3 Background

3.1 The Council's current Improvement Plan was approved by Full Council in December 2025. Since then, the Plan has driven significant organisational change and improvement activity, and helped the Council make progress towards its aims of being:

- A Council that is financially stable and sustainable
- A Council with clear priorities and purpose
- A Council that supports and enables its workforce to excel

3.2 The context the Council is operating in has continued to become more complex, including significant external scrutiny. This includes an Assurance Review undertaken by the Chartered Institute of Public Finance Accountants (CIPFA) as part of the Exceptional Financial Support (EFS) arrangements, the issuing of a non-statutory Best Value Notice and subsequent monitoring by the Ministry of Housing, Communities and Local Government (MHCLG), and continued oversight by an Local

Government Association (LGA) supported Improvement Board and External Auditor (Grant Thornton) who issued their Annual Audit Report for 2025/26 in October 2026.

3.3 There is a need to demonstrate both organisational improvement and financial recovery and ensure there are relevant and credible plans in place to deliver those. The current Improvement Plan (including the People Plan programme) has served the Council well but now needs updating to take account of delivery to date, learning from that experience, and the recent recommendations arising from the CIPFA Assurance Review and Annual Audit Report. The Annual Audit Report, including statutory, key and improvement recommendations, was considered at meeting of Full Council on 5th November 2026. The initial response to the recommendations, including references to a refreshed Improvement Plan, received high levels of support from councillors.

4 Annual Review

4.1 A review of the Improvement Plan has been undertaken and is summarised at **Appendix A – Improvement Plan Annual Review.** Over its first 12 months, the Improvement Plan has provided a single framework for strengthening the Council's financial sustainability, organisational effectiveness and workforce capability. Structured around three aims - becoming financially stable and sustainable, having clear priorities and purpose, and supporting the workforce to excel - the Plan has coordinated nine initial programmes of action with oversight provided by the externally chaired Improvement Board (SCIB).

4.2 The Plan has helped establish stronger foundations for recovery and sustainability. Progress includes securing Exceptional Financial Support (EFS), setting a realistic 2026/27 budget, developing the Financial Recovery and Sustainability Strategy, strengthening budget monitoring and accountability, developing a new Corporate Plan 2026–30 and performance framework, and establishing the Transformation, Improvement and Change (TIC) Portfolio. Governance and organisational improvements include the Statutory Officers Board, the Budget, Transformation and Change Panel (BTCP), enhanced Corporate Programme Management Office (PMO) arrangements, work on a new Constitution, stronger oversight of Internal Audit recommendations and new strategies for digital, commissioning, procurement and contract management.

4.3 There is evidence of impact. The required Exceptional Financial Support for 2026/27 has reduced from £121 million to £87 million – as reported to Cabinet in July 2026 - while timely budget-monitoring compliance increased from 40% in July 2025 to 95% in October 2026. Driven by the People Plan, Employee PDR (Performance and Development Review) completion also increased from 5% in 2025 to 81% in 2026. New PROUD values, 'Role of the Manager' guidance, corporate induction and new staff engagement arrangements have provided clearer expectations and support for employees and managers. There has been an improvement in staff sentiment and perception measures, demonstrated by recent Pulse Survey results – with 81% of staff saying they have a good understanding of the Council's priorities (up from 71% in 2025) and 58% saying they feel proud to work for the Council (up from 48% in 2025).

4.4 There have been a range of actions focussed on strengthening the internal controls environment, addressing key issues and recommendations in the Annual Audit Reports for 2024/25 and 2025/26. These include:

- Improving leadership, ethics and organisational culture
- Strengthening governance and decision-making
- Developing strategic planning, risk and performance management approaches
- Strengthening financial management and stewardship
- Improving procurement, commissioning and contract management
- Addressing capability and capacity issues through management guidance
- Strengthening information governance

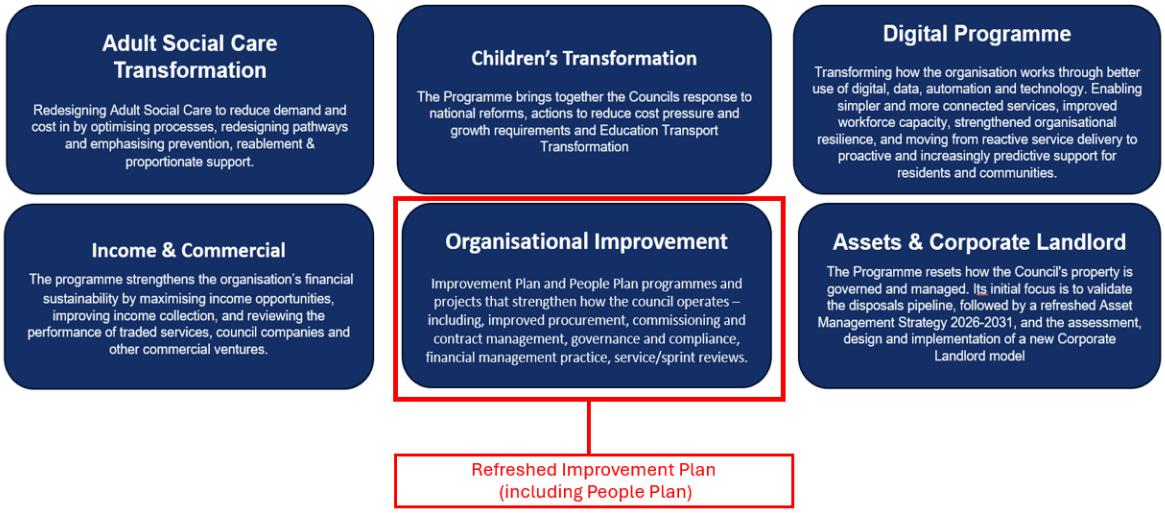
4.5 The Improvement Plan, and the progress it has helped drive and deliver, have received external recognition. The LGA Corporate Peer Challenge Progress Review in May 2026 identified stronger financial grip, governance, leadership visibility and collaboration. CIPFA described the Improvement Plan as credible and recognised stronger governance and leadership focus, while Grant Thornton regarded it as a significant and positive step towards clearer coordination, monitoring and challenge. However, both CIPFA and Grant Thornton emphasised that many arrangements remain relatively new and must now deliver demonstrable, measurable impact.

3. The first year of the Improvement Plan has also highlighted important lessons. Delivery capacity must be aligned with priorities. Financial recovery and organisational improvement must be managed together. Assurance must focus more on delivery confidence, dependencies, benefits and decisions as well as completed activity. The Plan must remain agile, with evidence-led re-baselining and clear ownership of benefits and outcomes. This learning has been reinforced by the Improvement Board who considered the proposed Improvement Plan priority programmes, as well as the wider Transformation, Improvement and Change (TIC) Portfolio.

4.6 Sustained attention is still required to improve and strengthen corporate governance and compliance, internal controls, complaints and FOI responsiveness, staff absence, financial management, and commissioning, procurement and contract management. Some of this sustained focus has been embedded into ‘business-as-usual’ activity, including corporate governance improvement now being driven by the Statutory Officers Group, a newly formed Governance Group, and supported by clearer compliance expectations through management communications and guidance including the ‘Role of the Manager’ programme.

4.7 The next phase of the Improvement Plan will retain the three overarching aims but refreshes the supporting programmes and projects. This will reflect the Best Value Notice, CIPFA review, Auditor’s Annual Report, statutory Best Value standards and experience gained during delivery. The refreshed Plan (including the People Plan) will form the ‘Organisational Improvement’ element of the overall Transformation,

Improvement and Change (TIC) Portfolio:



5 Refreshing the Plan

5.1 **Appendix B** – **Improvement Plan: Annual Refresh** summarises the next tranche of improvement priorities and projects. These include continuing programmes of action, such as those focussed on strengthening financial management, procurement practice and supporting the workforce to excel through the ongoing delivery of the People Plan. New programmes and projects are proposed that will ensure the Council responds to recent external reviews and recommendations, including:

- The LGA Corporate Peer Challenge Progress Review (May 2026)
- The non-statutory Best Value Notice issued by MHCLG in July 2026
- EFS External Assurance Review by CIPFA (reported to Council in Sept 2026)
- Annual Audit Report (AAR) by Grant Thornton (reported to Council in Nov 2026)

5.2 It has also taken account of staff engagement, and Improvement Plan delivery to date, including learning from that experience. Consideration has also been given to the current statutory Best Value guidance and has also taken account of the Government's July 2026 draft revised guidance, which proposes an updated framework structured around the seven Best Value themes of good practice for running an authority that meets and delivers the duty of best value: Continuous Improvement, Leadership, Governance, Culture, Use of Resources, Service Delivery, and Partnership and Community Engagement:



From: MHCLG *Best Value Duty: draft statutory guidance (July 2026)*

6.3 Our ambition is that by March 2028 the Council will consistently demonstrate the characteristics of a well-functioning authority across all seven Best Value themes, with improvement embedded into the way the Council operates and no material indicators of potential Best Value failure. The proposed priority programmes of action for the next 18 months to help us achieve that are:

Improvement Plan aim	Programme and rationale for it	Best Value theme
A Council that is financially stable & sustainable	**Financial management & practice:** A continuing programme of activity to strengthen how we manage our finances and expenditure. The programme includes a restructure of the finance service, and continued focus on improving financial planning, budget monitoring and capital management. It responds to issues raised in both the CIPFA Assurance Report and the AAR.	Use of resources Leadership Culture
	Procurement, commissioning & contract management: A continuing programme of activity to strengthen our practice and policy. The programme is part of our response to AAR Key Recommendation 7 to accelerate the implementation the procurement and contract management improvement programme to ensure full compliance with the Procurement Act 2023 and Contract Procedure Rules.	Use of resources Governance Service delivery
	Service improvement and efficiency: A new programme building on 'sprint' reviews undertaken of enabling services (including information governance and HR/Payroll). It will also develop an approach that service areas can use to identify opportunities to improve processes, systems and digital enablement. The programme supports and embeds a culture of continuous improvement.	Use of resources Continuous improvement
A Council with clear purpose & priorities	**Strengthening partnership working:** Proposed as part of the Improvement Plan update report in June 2026, the programme focusses on the further development of the Council's partnership working, with a focus on the development of a Shropshire Partnership (and Plan), locality/neighbourhood working approach, and future approach to working with Town and Parish Councils.	Partnerships & community engagement Leadership

	Customer experience and expectations: A programme of activity to improve how the council understands, engages with and responds to its customers and communities. It includes a focus on strengthening customer service and improving complaints handling, embedding consistent standards, improving communications and engagement, and reputation management.	Service delivery Partnerships & community engagement Continuous improvement
A Council that supports and enables its workforce to excel	**Performance management and culture:** The programme focusses on developing and embedding a performance culture across the Council, facilitated by a Performance Management Framework setting out the structure for performance conversations, ensuring that the right conversations happen at the right time with the right people and supported by the appropriate tools and information, helping to strengthen a key element of the internal control environment. Responds to the AAR (IR2).	Leadership Continuous improvement Governance Service delivery
	Risk management: The programme will deliver a Council-wide refresh of the approach to risk management – a key facet of the internal control environment - implementing the new Risk Management Framework and strengthening how strategic, operational and project risks are identified, assessed, managed, escalated and reported. The overall aim is to move risk management away from being a periodic reporting requirement and towards being an active management tool that informs decisions, supports delivery of Council priorities and strengthens organisational resilience. This responds to recommendations in the AAR (KR4) and the CIPFA Assurance Review (recommendation 5).	Governance Use of resources Leadership
	Involving and informing elected members: The programme will focus on activity that develops and reaffirms how elected members are involved in the work of the Council, as local members and as members of committees, including how they are informed in a timely way about changes, developments, and decisions affecting the council and their local areas. Responds to AAR and CIPFA reports, including the recommendation to further develop Overview and Scrutiny.	Governance Leadership Continuous improvement
	People Plan programme: The People Plan, approved alongside the Improvement Plan, is a council-wide programme that coordinates projects across five priorities and aligns people, processes and technology change with the wider improvement and transformation programme. The programme will continue to improve employee engagement, embed the 'Role of the Manager' and strengthen management accountability and engagement, and develop workforce capacity planning to support transformation. It is part of the response to AAR (KR5).	Culture Leadership Continuous improvement

7 Alternative Options

7.1 Do nothing and stick with the current plan. The risk of adopting this option is that the Plan does not keep pace with the evolving context the Council is operating in, including responding to recent reviews and recommendations. It also constrains the

learning from the experience of delivering the Plan to date, ensuring that informs future delivery.

7.2 Don't have an Improvement Plan: The risk of adopting this option is that we don't have a single framework driving and co-ordinating our improvement and development as an organisation. The Council is facing both a financial recovery and organisational improvement challenge, and it is important to have Plan directing the latter and guiding the activity that will build the organisational capacity and capability to deliver the transformation and improvement activity that will support financial recovery and sustainability.

7.3 Pursue different programmes and projects: The programmes and projects summarised in this report and Appendix B have been carefully considered. They are proposed on the basis of being improvement priorities that need a continued focus and oversight (e.g. financial management, procurement, internal controls) or are in response to recent external reviews and recommendations, including the statutory, key and improvement recommendations made in the External Auditor Annual Audit Report for 2025/26.

8 Key risks and Opportunities

8.1 The Council needs to continue to improve and demonstrate to residents, partners, Improvement Board, and the Government that it is doing so with momentum. Failure to do so could result in Government intervention. The Improvement Plan has been developed with a clear view of what authorities that have been subject to intervention have been required to do and sets out how the Council will deliver the improvements it needs to make over the next 12-18 months to the end of March 2028.

Risk	Mitigation	Link to Strategic Risk
Insufficient capacity and capability to deliver the Plan at the required pace. Competing operational, financial recovery and transformation demands could mean that programmes are delayed, insufficiently resourced or unable to secure the specialist and service capacity required.	Prioritise and resource programmes through BTCP; confirm resource requirements through programme initiation; use CPMO capacity and assurance; actively manage dependencies and capacity across the wider TIC Portfolio	Transformation programmes and significant projects Workforce capacity and capability
Improvement activity does not deliver demonstrable or sustained impact. This could undermine confidence that improvement is becoming embedded.	Establish clear outcomes, baselines, milestones and benefit measures for each programme; require evidence of sustained benefits rather than simply action completion.	Governance, performance and financial weaknesses / external scrutiny and threat of intervention Governance, assurance and value for money
Governance, assurance and internal control improvements are not embedded quickly or consistently enough.	Use programme boards, the Assurance Board, Improvement Board, Cabinet and Scrutiny to provide challenge and assurance	Effective internal control framework Governance, assurance and value for money

		Governance, performance and financial weaknesses / external scrutiny and threat of intervention
Financial pressures constrain or undermine delivery of organisational improvement. Continued financial pressure, reliance on EFS and the need to deliver savings could reduce investment or capacity for improvement.	Manage the Improvement Plan and Financial Sustainability and Recovery Strategy as connected components of the TIC Portfolio; explicitly assess financial implications and benefits through BTCP; maintain Finance validation of benefits; ensure investment and prioritisation decisions consider both immediate savings and sustainable improvement.	Achieving long-term financial sustainability Impact of financing EFS Challenging financial position compromising decision making and governance arrangements
Failure to maintain sufficient pace and demonstrate improvement increases external intervention risk.	Routinely report progress and impact to the Improvement Board, Cabinet and Scrutiny; maintain engagement with MHCLG and other assurance bodies	Governance, performance and financial weaknesses / external scrutiny and threat of intervention
Dependencies across improvement, transformation and business-as-usual activity are not effectively managed	Maintain a single portfolio view of dependencies, risks, milestones, benefits and resources through CPMO and the Assurance Board	Transformation programmes and significant projects Workforce capacity and capability

9 Council Priorities

9.1 The Improvement Plan sets out a number of programmes and projects focussed on organisational improvement that is critical to realising the Corporate Plan ambition of being a Council that is financially stable, has clear priorities, and supports its workforce to excel. The Plan sits alongside the Financial Sustainability and Recovery Strategy, ensuring that the Council has a clear strategic basis and intent for financial recovery and organisational improvement, recognising that one cannot happen without the other.

4. Financial Implications

9.2 The approval of the refreshed Improvement Plan does not, in itself, commit the Council to additional expenditure. Some programmes may require additional capacity, specialist support or investment to enable delivery. Detailed resource requirements, anticipated benefits and any financial implications will be assessed through the Council's Budget, Transformation and Change Panel (BTCP) processes, funded through the Transformation funding where appropriate, and aligned with the Council's Financial Sustainability and Recovery Strategy.

5. Legal and HR implications

9.3 There are no immediate legal or workforce implications arising directly from approval of the refreshed Improvement Plan. Individual programmes may, however, potentially

lead to proposed changes in policy, practice, structures, systems or ways of working. Any such proposals will be subject to separate consideration and approval, including appropriate legal advice, consultation with employees and trade unions, equality impact assessment and compliance with relevant employment, procurement, data protection and public law requirements.

9.4 By implementing (and refreshing,) an Improvement Plan and regularly measuring progress across the various strands of work, and submitting such progress to the Council's Improvement Board, and for examination by external stakeholders, the Council is able to demonstrate the work being undertaken, and importantly the progress towards, being able to demonstrate it is meeting the requirements of a Best Value Authority in full.

10 Electoral Division Implications

10.1 There are no direct electoral division implications arising directly from this report.

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

11.1 There are no direct health, social or economic implications arising directly from this report.

12 Equality and Diversity Implications

12.1 There are no immediate equality and diversity implications arising from the Improvement Plan and its refreshed set of programmes and projects. Where proposed changes to policy and practice arise from improvement activity their impact and implications in equity, equality and diversity will be assessed accordingly in line with established council policy.

13 Climate Change, Biodiversity and Environmental Implications

13.1 There are no direct climate change, biodiversity and environmental implications arising directly from this report.

14 Background Papers

1. Improvement Plan – approved by Full Council 11/12/25
2. People Plan – approved by Full Council 11/12/25
3. Report to Finance and Improvement O&S Committee (08/01/26) and Cabinet (10/06/26): Improvement Plan - Progress Report.pdf
4. Best Value Standards: Best Value Duty: draft statutory guidance (July 2026)

15 Appendices

Appendix A – Annual Review of the Improvement Plan
Appendix B – Annual Refresh of Improvement Plan - programmes and projects