



Date: Thursday, 25 September 2025

Time: 10.00 am

Venue: Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ

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COUNCIL

TO FOLLOW REPORT (S)

7 Corporate Peer Challenge Report and Response (Pages 1 - 50)

The report of the Interim Chief Executive is **attached**

Contact: Tanya Miles - 01743 255811

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Meeting

Council
25th September 2025

Item

Public



LGA Corporate Peer Challenge Report July 2025

Responsible Officer:		Tanya Miles, Interim Chief Executive	
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Cabinet Member (Portfolio Holder):		Heather Kidd – Leader of the Council	

1. Synopsis

The new administration of Shropshire Council asked the Local Government Association (LGA) to carry out a Corporate Peer Challenge (CPC) in July 2025. This report includes the full report and recommendations and the Council's initial response to it as a springboard for improvement and change.

2. Executive Summary

- 2.1. The new administration invited the LGA to carry out a Corporate Peer Challenge which took place from the 14 to 17 July 2025. The aim was to establish a baseline position and springboard for the Council at an early stage following the May 2025 Local Elections. The CPC Peer team delivered an initial feedback session on Friday 18 July that Group Leaders, Cabinet and Leadership Board were invited to. The final confirmed LGA CPC Report was received the first week in September 2025.
- 2.2. The Council is required to publish the LGA CPC report within 3 months of the peer challenge taking place (i.e. by the 18 October 2025), to publish a plan to address the recommendations within 5 months of the peer challenge (i.e. by 18 December 2025), and to have a follow-up with between 9 and 12 months after the CPC (i.e. during May to July 2026).

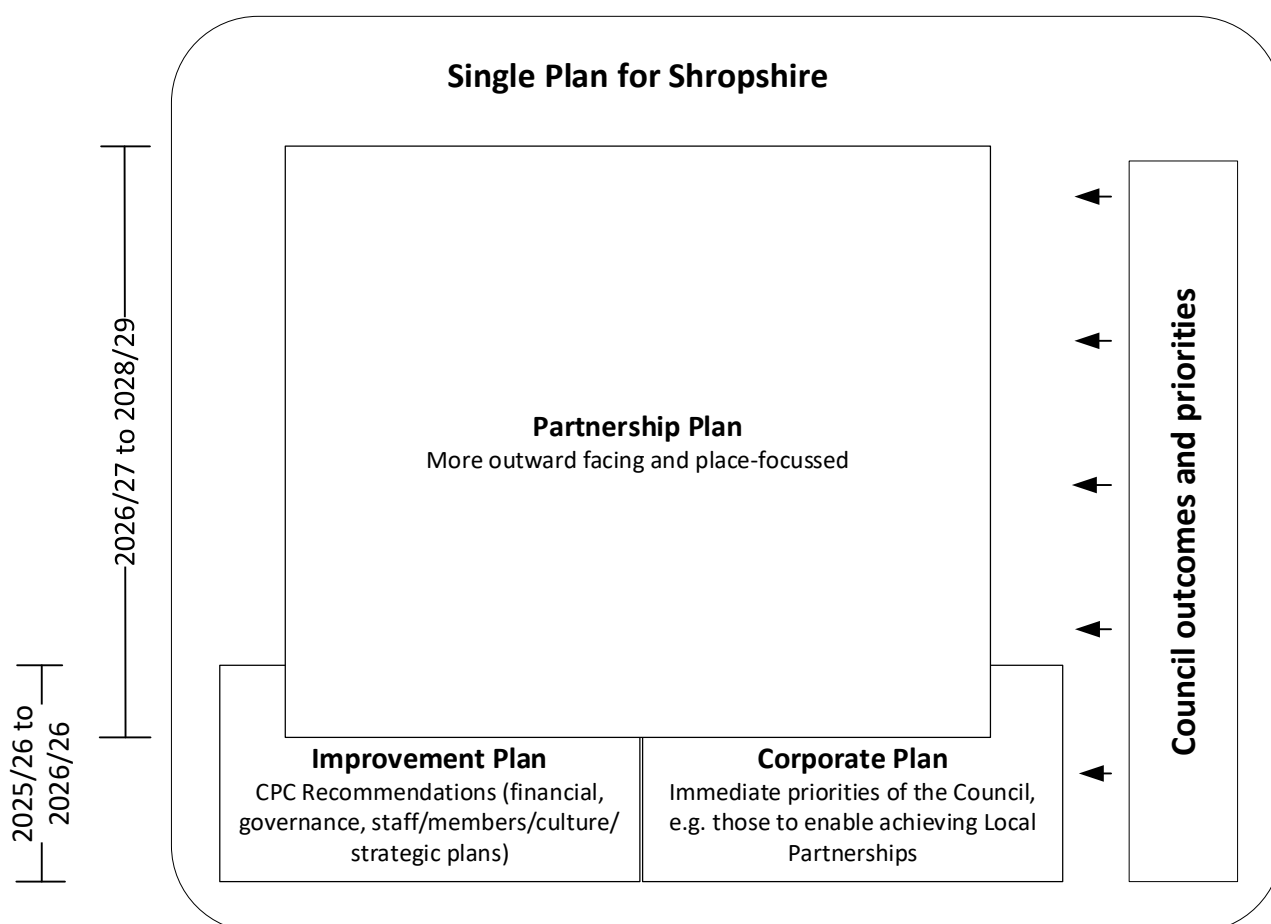
- 2.3. LGA Peer Challenges are based on a consistent framework of five themes critical to council performance and improvement:
1. Local priorities and outcomes
 2. Organisational and place
 3. Governance and culture
 4. Financial planning and management
 5. Capacity for improvement
- 2.4. In addition, Councils can specify a small number of additional areas of focus. Shropshire Council specified three additional areas:
1. Adult Social Care and its budget pressures
 2. The progress of Council finances against previous reports especially around savings and the level of balances
 3. How the Council is getting best value from its contracts - to include Highways, Veolia etc
- 2.5. The Peer Team was onsite from the 14 to 17 July and met with Members, officers, partners and providers, making 10 recommendations. These have been summarised in the table below and initially grouped into four themed areas. The full CPC report is attached at appendix 1 and the full recommendations are shared in paragraph 7.15 of this report.
- 2.6. All 10 recommendations have been welcomed and accepted by the Administration as a springboard for continued improvement and change and are being presented here to Council for awareness and endorsement.
- 2.7. The Council has not waited to receive and confirm the final report before taking action. The immediate action taken between the visit and ahead of this publication are listed in the table below and include; the Statutory Officer Board consisting of the Head of Paid Service, Section 151 Officer and the Monitoring Officer is being organised, preparations to request Exceptional Financial Support (EFS), if necessary, are underway, the arrangements for the Improvement and Assurance Board and the Independent Chair are in progress and the draft Terms of Reference are attached at appendix 2 of this paper for transparency and approval.
- 2.8. It is also worth drawing attention to the key foundations for the future which were already in train ahead of the CPC and acknowledged within the report. In particular, plans were already in place to develop and bring forward a new Corporate Plan (Shropshire Plan) to Council and to develop the MTFS as part of the annual cycle and the culture change programme. In summary, the Recommendations and immediate responses are set out in the table below.

Themes	Recommendations	Immediate Responses
Financial Management and Strategy	Prepare a new MTFS to deliver sustainability	Budget and MTFS Process September 2025 to February 2026
	Improve Budget Monitoring to incorporate actuals	Lessons learnt for Outturn 24/25 are being implemented
	Establish Exceptional Financial Support Requirements	In discussion with MHCLG re Transformation and Project Funding 25/26 MTFS process to establish requirements over MTFS period
Culture and Values - Our People	Reinvigorate culture and Getting Leadership Right	Reignite Organisational Development. Aligns to development of new plans as set out below
	Celebrating Council-wide Successes	Plan in place to implement clear narrative and wider communications opportunities
Governance	Implement an independently chaired Improvement Board	In progress with some elements already in place
	Improve governance and implement a Statutory Officers Board.	This is being organised and Terms of Reference will be finalised to enable regular meetings to be held
Strategic Direction and Sustainability Planning	Coproduce new Council Plan	Sustainability plan to deliver report to Council December 2025
	Create a new Transformation Plan	Aligns to Budget and MTFS Process
	Visibility of Members and Officers	Plan in place to reinvigorate communications

- 2.9. A full response to the CPC report, and an action plan to address the recommendations will be brought to the 15th October Cabinet.

- 2.10. The action plan to address the CPC recommendations will be part of a single integrated plan for the council. This will be the Improvement Plan, and the first section of the Council's strategic plan, with a 12-to-18-month timeframe. It will be important that the developments, mechanisms and controls put in place to deliver the improvement are sustained into the future.
- 2.11. The Corporate Plan will be a living document that will developed in several stages as set out below:
- (i) Improvement Plan – this will form the first 'chapter' of the Corporate Plan and include actions predominantly built around the recent Corporate Peer Challenge (also on this agenda)
 - (ii) Corporate Plan – this will expand the improvement plan into a full, but internally focussed, document including actions to deliver the wider priorities and outcomes of the Council over a 12 to 18 month period.
 - (iii) Partnership Plan – this will be a more outward facing, place-focused plan delivered with partners. This Partnership Plan will be co-produced with our wider partners and stakeholders, setting out the long-term future of the Shropshire area and the key deliverables and commitments to enabling and sustaining a prosperous and thriving place.

The three different sections of the single plan are also described in the diagram below.



3. Recommendations

- 3.1 To endorse the recommendations in the LGA CPC report (appendix 1), note the immediate actions being taken, and the intention to present an action plan to address the recommendations being presented to 15 October 2025 Cabinet.
- 3.2 To recognise the relationship between the planned 12-to-18-month timescales for the Improvement Plan to achieve financial sustainability and the urgency to address the financial emergency.
- 3.3 To approve the draft terms of reference for the Improvement and Assurance Board (appendix 2) and delegate the finalisation of arrangements including governance, to the Chief Executive in consultation with the Leader.
- 3.4 To work across political parties to identify, support and pursue options that will achieve the CPC recommendations and financial sustainability for the council and the delivery of the council's priorities and outcomes for Shropshire communities in years to come.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1. The CPC has taken place early in the new Council, following the Local Elections 2025. This has provided an early external view of the position of the council, giving a clear baseline and is a springboard to plan and deliver in the future.
- 4.2. The financial challenges and risks to the Council have been in focus for a number of years and the CPC report and recommendations have confirmed this focus. Opportunities to develop governance were also highlighted, including introducing an independently chaired Improvement and Assurance Board.
- 4.3. The review has also highlighted some further areas and opportunities for the Council to look at including embedding being 'one council' and taking the opportunity at this early stage in a new council with many new Members, to develop how officers and Members develop their work together.

<i>Risk</i>	<i>Mitigation</i>
Failure to be 'One Council' with all staff understanding how the council operates in the 'new operating model' and the need to pull together to realise benefits and meet the challenges	The development of Our People Plan, including a performance management framework and defining the role of the Manager will support the development of a strong, agile, learning culture focused on supporting our people and driving transformation and improvement.
Officers and members do not understand their respective roles and how they work together to achieve financial sustainability and deliver the priorities and outcomes of the council	A programme of workshops supported by the LGA is in place to develop relationships and common ways of working, to align priorities and plans for Members and Officers.

5. Financial Implications

- 5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):
- scaling down initiatives,
 - changing the scope of activities,
 - delaying implementation of agreed plans, or
 - extending delivery timescales.

6. Climate Change Appraisal

- 6.1. Whilst this paper does not present options and recommendations that directly impact on climate change, the decisions that need to be taken and the actions that will need to take place to deliver financial sustainability and the priorities and outcomes of the council are likely to have impacts.
- 6.2. Opportunities to decarbonise the provision of services and increase energy efficiency of council assets may require some investment but will realise financial benefits e.g. through reducing energy usage, or through the generation of energy on council assets that either bring costs down or can generate income.
- 6.3. Climate change appraisals will need to be undertaken as appropriate for each project and approach that is developed to ensure that opportunities are identified and pursued, and that any 'invest to save' opportunities are investigated and fully evidenced to ensure that these can be taken into account in decision making.

7. Background

About the Corporate Peer Challenge

- 7.1 LGA Corporate Peer Challenges are a central feature of sector-led improvement. Local authorities are recommended to have a Corporate Peer Challenge or a Financial Peer Challenge every 4 years. The Council last had a Corporate Peer Challenge in 2018, that was followed up in 2019, and a Financial Peer Review in 2022.
- 7.2 LGA Peer Challenges are based on a consistent framework of five themes critical to council performance and improvement:
- Local priorities and outcomes

- Organisational and place
- Governance and culture
- Financial planning and management
- Capacity for improvement

7.3 In addition, Councils can specify a small number of additional areas of focus. For the July 2025 peer challenge Shropshire Council specified three additional areas:

- Adult Social Care and its budget pressures
- The progress of council finances against previous reports especially around savings and the level of balances
- How the council is getting best value from its contracts - to include Highways, Veolia

7.4 Corporate Peer Challenges are led by a Chief Executive and carried out by a team of experienced senior officer and Member peers from other similar local authorities in England. The LGA Peer Team that carried out the Shropshire Council Corporate Peer Challenge were:

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

7.5 The new Administration requested the Corporate Peer Challenge at as early a stage as possible following the Local Elections, to provide a good baseline to develop plans against and move forward from.

7.6 This was achieved by the Council and by the LGA in a 6 week timeframe, once the request for CPC and onsite dates were confirmed, compared to a more usual three to six months run in, and included the LGA putting the peer team together, and the Council writing and submitting a comprehensive position statement with an evidence base, making the on-site arrangements, and identifying and inviting the relevant people for the peer team to speak to during their time in Shropshire.

Findings of the Corporate Peer Challenge

- 7.7 The full findings of the Corporate Peer Challenge (CPC) are set out in the LGA report attached at appendix 1.
- 7.8 The CPC was thorough and comprehensive, and although challenging, the process added value for the Council. It confirmed the scale of the challenge that the Council has in managing demand and delivering services it needs to deliver to its communities within the finances available, and highlighted opportunities to progress.
- 7.9 As well as identifying findings and recommendations for the Council to take forward, they also observed that:
- Good services are being delivered day in, day out and officers and Members should be proud of this. Benchmarking generally shows how the Council compares well with its CIPFA nearest neighbours.
 - Looking at Adult Social Care as one of the additional focus areas, the CPC team highlighted that for 2023/24 spend on ASC was in line with the average for other similar councils, but with a potential change for 2024/25 based on the outturn position, and that there was a lower number of adults with long-term care needs receiving care, compared to other councils, supported by investment in reablement and technology-enabled care
 - There is an awareness of issues and opportunities including potholes, and scope to progress development in responses to customer enquiries where performance needs to be focused.
 - They met a large number of dedicated, hard-working and experienced council staff, and that despite operating in constrained and difficult circumstances for some time they remain committed to the Council.
 - Members care deeply for the Council and Shropshire.
 - That the new administration immediately and clearly set out its values including transparency and collaboration, and that it carries the hopes and best wishes of many colleagues and most partners and there was a real sense of positivity for the future of Shropshire.
- 7.10 Although the following paragraphs set out the challenges for the Council, officers and Members who received the feedback from the Peer team on the 18 July commented that there were no surprises in them.
- 7.11 The Council is in extreme financial difficulty and it needs to consider what the future delivery of services needs to look like. An immediate priority is the financial sustainability of the Council, reestablishing financial resilience.
- 7.12 They highlighted some gaps in governance to address, and strong evidence of a disconnect of relationships and people at multiple levels of the council that

would need to be addressed in order for the Council to be able to meet the financial challenges and transform.

- 7.13 At the time of the CPC the peer team recognised that the Council had recently introduced a new organisational structure and way of working, restructured its senior Team, and been through a Local Election which saw c69% of councillors being new Members, as well as moving to a new Administration. They found that the new Leadership Board and operating model needed to be embedded to achieve its objectives and also highlighted the opportunity to develop stronger working relationships between the new administration and senior officers.
- 7.14 They recognised that there were existing plans to develop a new corporate plan and that this work should continue involving Members, staff, partners and communities to enable collective working and ownership, particularly in delivery.

Full recommendations from the Peer Challenge

- 7.15 The Corporate Peer Challenge team made 10 recommendations to the Council, all of which have been accepted by the Administration. These have been grouped into four themes below, and the actions to address these will form part of the Council's overarching Improvement Plan. This will look at all matters that need to be addressed to enable financial sustainability and provide a robust foundation for the Council to build on for the delivery of its outcomes and priorities and those that it shares with its partners.

Theme	CPC recommendations
Financial Strategy and Management	1 Urgently prepare a multi-year plan (MTFS) demonstrating and detailing the council's route to financial and operational stability. Ensure this is realistic, widely understood and shared. 2 Immediately assess and negotiate your EFS requirements for 25/26 and for the period of the MTFS before a s114 notice becomes a necessity. 9 Budget monitoring needs to be focussed on actual spend and projections with clear understanding of one off and recurring expenditure with appropriate intervention and action.
Governance	3 Quickly implement an externally supported, independently led Improvement Board with CIPFA, a governance expert and LGA peers, preferably with support from MHCLG, to advise, assist and drive urgent changes. 8 Improve the status of and make efforts to drive good governance; consider implementing a 'statutory officers board' or similar mechanism to include the head of paid service, monitoring officer and s151 officer which would consider pressing issues, co-ordinate responses and drive implementation of, for example, internal audit recommendations.

Culture and Values	5 Consider how to urgently reinvigorate your cultural connections and relationships across the workforce – the organisation has become fractured, and the current context has blunted the value of initiatives such as 'Getting It Right'. 10 Change your narrative, tell your story and clearly celebrate your success as one council.
Council Shape and Strategic Direction	4 Prepare a clear whole council transformation plan that carries the aspirations and narrative for the future council and accurately aligns the resources for delivery. Ensure this is realistic, widely understood and shared. 6 Coproduce a new council plan that recognises the financial constraints the council is under and delivers the manifesto commitments. Ensure this is realistic, widely understood, socialised and owned 7 Improve the visibility of managerial and political leaders to help colleagues make the organisation legible for colleagues at a time of great change.

- 7.16 Although the Council and the LGA confirmed the final CPC report (attached at appendix 1) at the beginning of September, the need to take quick and positive action to ensure that there are minimal delays following the CPC onsite and initial feedback in July, means that some areas of work are already underway, such as arrangements for the Improvement and Assurance Board and independent chair, and assessing and discussing potential Exceptional Financial Support (EFS) requirements. Others such as the development of a new Corporate Plan and taking action to address the learning from the staff pulse survey were already part of plans to be delivered during 2025/26 but were also identified in the CPC recommendations.

8. Conclusions

- 8.1. The CPC Peer Team recognised the Council provides some good performing services and is doing so despite facing increasingly significant financial challenges. They highlighted the importance of celebrating successes and meeting the challenges as one council.
- 8.2. Taking urgent steps to make the council financially sustainable and resilient are the priority for the Council, ensuring that the Council is able to deliver a balanced budget in year, and put itself in the position to begin to rebuild its General Fund Balance. This is supported by setting more accurate budgets, developed with clearer forecasting, that avoid the risk of regular and sizable overspends, and continuing to refine financial monitoring throughout the year. These actions need to be established alongside refocussing on governance and assurance and ensure that the developments are sustainable with high levels of confidence in the controls and systems that the council has in place.
- 8.3. Equally pertinent is the need to address cultural issues and disconnections across the council. The peer team raised the importance of having Members and staff at all levels working together with a common purpose as a key ingredient in delivering the transformation and changes required to be

financially sustainable and resilient. Having this in place will only increase the ability of the Council to realise the objectives and expected benefits of the new way that the Council will operate and enable achieving the outcomes and priorities of the Council, partners and communities within the resources available.

- 8.4. Therefore, the Improvement Plan will be the immediate priority focus for the Council over the next 12 to 18 months. The CPC recommendations have identified areas for action, which build on those that the Council already had in train, including responding to the staff Pulse Survey. The Council's Corporate Plan will be developed alongside the Improvement Plan and in doing so set achievable purpose and priorities, enabling them to both inform the MTFS and budget setting. The action plan to address the CPC recommendations will be incorporated into the Improvement Plan, but for transparency and clarity it will be reported to Cabinet in October.
- 8.5. The establishment of the independently chaired Improvement and Assurance Board will take place in the autumn. The board will be cross-party and include external representation from MHCLG, the LGA and CIPFA as per the Peer Teams recommendations. It's draft Terms of Reference are set out at Appendix 2. The Council has a strong track history with Improvement Boards, e.g. the Children's Improvement Board, and this experience should give confidence about how the process can work and realise the outputs and benefits the Council and Shropshire communities require.
- 8.6. The full Improvement Plan and the draft Corporate Plan will go to Council in December for agreement. Development of the Partnership Plan will take place into 2026/27 and will involve engagement and working together with partners and communities, amongst others. This is a separate but linked piece of work that will need to build on from the development of the corporate plan, and reflect the actions to realise financial sustainability and resilience

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

Local Member: All

Appendices [Please list the titles of Appendices]

Appendix 1 – LGA Shropshire Council Corporate Peer Challenge Report July 2025

Appendix 2 – Draft Terms of Reference for the Improvement and Assurance Board

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LGA Corporate Peer Challenge

Shropshire Council

14th – 17th July 2025

Feedback report



Corporate Peer Challenge



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1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending 4 days at Shropshire Council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, Accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

2. Executive summary

The peer team recognise that this CPC has been delivered at a moment in time for Shropshire Council where this recent period has included significant change and competing demands. The elections in May 2025 have returned a new Liberal

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Democrat administration, and 69% of all members were newly elected, the council has recently had a full Ofsted Inspecting Local Authority Children's Services (ILACS) visit, a new operating model is being implemented and a new management structure is bedding down. This has all been delivered over a short period of time and the peer team recognise these changes permeating through the council as important context for the CPC.

The peer team's overall assessment is that Shropshire Council is in severe financial distress. This has been outlined previously over a number of years including through the [LGA Finance Peer Challenge](#) (FPC) in 2022 where the financial position was described "*as not immediately catastrophic – but they are in a precarious position*" and the recent CIPFA Resilience Review in 2024.

The peer team paid careful attention to the financial position and reviewed the financial plans and the future financial position and have concluded that the financial position has continued to deteriorate and is significantly worse than that of the time of the FPC. The council is now a hair's breadth away from issuing a s114 and it will now need to rely on Exceptional Financial Support (EFS) this year and in the medium term to re-establish financial resilience and to rebuild a risk assessed level of general fund reserves. The council reported at Period 2 for 2025/26 that the forecast general fund is estimated to be £0.606 million at the end of the year compared to the budgeted forecast of £34.3 million and is therefore extremely close to exhausting its general fund reserves entirely, so it must urgently apply for EFS now in order to be sustainable.

Based on previous experience the peer team have limited confidence that savings plans can be delivered by the council. This is based on the past performance and the current lack of detail on its future plans. This does not mean plans can't be delivered but the council itself does not have the confidence that these will be delivered in full.

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There are some significant governance issues which the council needs to address. This includes the gap in statutory officer meetings and a lack of assurance around audit findings. These are important building blocks of good governance and are essential for the council to be able to meet its significant challenges.

However, the peers did find that generally there are good services being delivered and can highlight areas where there is strong performance, particularly in the former people directorate. The council has itself identified some issues in highways management including potholes, and responses to customer enquiries where performance needs to be focused.

The peer team met a large number of dedicated, hard-working and experienced council staff. Staff have been operating in constrained and difficult circumstances for some time and although they are noticeably affected by this they do remain committed to the council. It is also very clear that Members care deeply for the council and Shropshire. Good services are being delivered day in, day out and officers and Members should be proud of this. However, this is a council in extreme financial difficulty and within this context it needs to consider what the future delivery of services needs to look like and how the council's approach to transformation must support *"the council we need to be"*.

The new administration has immediately and clearly set out its values including transparency and collaboration. It carries the hopes and best wishes of many colleagues and most partners and there was a real sense of positivity for the future of Shropshire. The peer team recognises that this is still early days in the new council but there does need to be significantly more time spent with the new administration and senior officers to build stronger working relationships and make sure priorities are understood throughout the council.

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There is strong evidence of a disconnect of relationships and people at multiple levels of the council. Officers and partners spoke of a “*two-tier council*”, and peers heard many examples of this. This included a sense that the organisational culture was that of the former people directorate staff ‘versus’ others. This was a tension reflected by many staff the peer team met. A disconnection was also heard between Members and officers, across the leadership board and management’s relationships with the wider staff team as a whole. This is driving morale problems and this friction in relationships will be an issue in delivering the transformation and change now required. This needs to be urgently addressed.

The new council leadership board and operating model is encouraging more open conversations but it is not well understood by many at this time. This represents a significant change and the council will need to consider how the model is embedded and deliver its objectives, particularly around clarity of accountability.

The peer team encourage Shropshire Council to continue to work at pace to coproduce its key strategies and plans, both across the council and with partners where relevant. The development of the new Council Plan (The Shropshire Plan) is a good example of where collective working should lead to developing plans which are focused on priorities with collective ownership for delivery in the challenging context of which the council is operating.

However, in the urgent short term the council needs to address and focus on financial sustainability and act quickly now to shore up its immediate position and develop a longer term achievable plan. This will include drawing upon immediate support and engagement with The Ministry of Housing, Communities and Local Government (MHCLG) and developing a robust plan for improvement.



3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

3.1 Recommendation 1

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

3.2 Recommendation 2

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

3.3 Recommendation 3

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

3.4 Recommendation 4

Prepare a clear whole council transformation plan that carries the aspirations and narrative for the future council and accurately aligns the resources for delivery. Ensure this is realistic, widely understood and shared.

3.5 Recommendation 5

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

3.6 Recommendation 6

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

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3.7 Recommendation 7

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

3.8 Recommendation 8

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

3.9 Recommendation 9

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

3.10 Recommendation 10

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

4. Summary of peer challenge approach

4.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA on the basis of their relevant expertise. The peers were:

- **Duncan Sharkey** – Chief Executive, Somerset Council
- **Cllr Amanda Hopgood** – Leader of the Liberal Democrat Group, Durham County Council. Liberal Democrat member peer

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

4.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management - Does the council have a grip on its** current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?
5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does



the council have the capacity to improve?

As part of the five core elements outlined above, every CPC includes a strong focus on financial sustainability, performance, governance, and assurance.

In addition to these themes, the council asked the peer team to provide feedback on its approach towards:

- Adult Social Care and its budget pressures
- The progress of council finances against previous reports especially around savings and the level of balances
- How the council is getting best value from its contracts - to include Highways, Veolia etc

4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at Shropshire Council and what the peer team should focus on. It also included a comprehensive LGA finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent 4 days onsite at Shropshire Council, during which they:

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- Gathered evidence, information, and views from more than 50 meetings, in addition to further research and reading.
- Spoke to more than 150 people including a range of council staff together with members and external stakeholders.
- Had a tour of some of the key sites in Shrewsbury

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and Members.

5. Feedback

5.1 Local priorities and outcomes

[The Shropshire Plan 2022-2025](#) was timed to end at the May 2025 elections and a new plan to then be developed with a new council. [The Strategic Plan](#) is the key strategic document for the council that sits at the top of the golden thread. It includes the council's vision: "Shropshire living the best life" and outlines the mission, strategic priorities and headline objectives. Under this the delivery plans, performance monitoring and Medium Term Financial Plan are set out. The four priorities were clearly articulated as: Healthy People; Healthy Economy; Healthy Environment; and Healthy Organisation.

The development now of a new Shropshire Plan by December 2025 represents a great opportunity to work in partnership and co-design the future for Shropshire both in the immediate, medium and long term, ensuring it's a working plan owned and coproduced with and for partners, stakeholders and residents alike. The peer team heard that the new administration's wider priorities are not well known yet across the council and with partners. This is understandable given the recent political changes but there is an opportunity in the development of the new Plan to be clear on this especially as the peer team found there was a renewed energy with a new

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administration.

Overall the peer team heard a great deal of support and optimism for the new administration, and many people the peer team met with were impressed with the new Leader's commitment and focus on delivery. This includes partners within Shropshire and sub-regionally where the commitment to continue working in partnership and taking a lead in this, for example in chairing the Marches Forward Partnership was recognised.

The peer team heard positively from a number of people that "*Shropshire Council understands prevention*". It was felt that the council has been pivoting towards a prevention approach and the team support this as a way of getting better outcomes for everyone including the council, individuals being supported as well as the wider financial benefits.

There are good examples of what can be achieved through a robust plan, clear and aligned objectives and a desire and willingness to work together, but this is not consistent. For example, the peer team heard that there is currently a lack of a consistent and well known place narrative for Shropshire. This limits the council's ability to engage with the local community, partners and with other agencies for external funding. This does not need to be a consistent plan across Shropshire, as there will be recognisable differences between areas, but the peer team could not currently easily identify the strategic vision. Similarly, across economic development the peer team found a lack of any short or long term vision or plan. This is a barrier to future economic growth and securing external funding and without a narrative there is a lack of understanding for what the council is trying to achieve. The peer team recommend that the council gives this some further consideration.

Equality objectives are published and supported by an action plan. There is good

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engagement with the Shropshire Council Anti Racism Forum (SCARF) a senior officer lead has been identified and there are plans to establish a project group that will report to the leadership board, which is welcomed. There is an opportunity to strengthen the approach to equality, diversity and inclusion (EDI) by identifying clear political leadership and expanding staff forums to cover wider protected characteristics. There are also opportunities to be more ambitious and build on good practice that exists in teams across the council, utilising the ideas of staff for this.

The peer team heard that there was a distinct feeling of two organisations within one. This was described as a *“tale of two cities – people services and everything else – for some it is best of times and some the worst of times”* and many people the team spoke to recognised this. Work needs to be forthcoming in bringing the council together as staff were unable to consistently articulate what the priorities of the council are.

The peer team heard about the previous local joint committees. There is a strong will and desire amongst many people to reintroduce these, along with a wish to see services and assets devolved, where mutually agreed, to town and parish councils. The peer team consider that this will require deeper discussion to evaluate the benefits of this and a decision taken by the council on its strategic approach.

Internal council communications (including with Members) were described as being generally poor with regard to the quality of responses, response times, and clarity for who to contact. This was referenced in conversations with councillors and staff and the peer team recommend that work needs to take place on managing email responses and a possible contact directory so there is clarity on who to contact in different circumstances. External communications were perceived as generally being reactive and would benefit from a more strategic approach to consistently provide detail on what the council was planning to do to address the issue(s).

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5.1.1 Performance

The council demonstrates some strong performance in key areas. This is evident within people services where [Ofsted rated Children's Services as 'good' in February 2022](#) – and where at the time of the peer review the most recent outcome was still to be confirmed. The [adult social care service was also judged to be 'good' by Care Quality Commission](#) in February 2025. These external inspection results demonstrate the delivery of good services to the communities in Shropshire and the dedication and hard work of all involved.

The highways service and contractors Multevo were awarded the Highways Award for Team of the Year 2024, for revolutionising road maintenance and bringing together council staff and contractor staff to deliver services.

The LGA's [LG Inform report for the council](#) generally shows how the council compares well with its CIPFA nearest neighbours and demonstrates good delivery of services. There are some challenges which the council recognises around the looked after Children rate; Special Educational Needs and Disabilities; and principal roads where maintenance should be considered. Communities appear to be generally happy with the services provided by the council and there were not large numbers of complaints or interventions needed. This is positive and staff and councillors should be proud of this.

The council has developed and rolled out performance dashboards, which have improved officer visibility of key performance information. Many staff the peer team spoke to were supportive of this approach and felt it had increased transparency and accountability. In some areas, the dashboards are being used to inform service-level discussions, identify underperformance, and prompt targeted interventions. However, the use of this information to drive action is not yet consistent across the organisation. The council now has an opportunity to strengthen its performance



management culture by embedding clearer expectations around how data is used to inform decision-making, support mitigations, and drive continuous improvement. Ensuring compliance and consistency in how performance information is acted upon will be key to maximising the value of this tool.

The peer team heard there was a lack of councillor visibility on performance. Members are keen to engage on this and see the importance of their role in scrutiny, oversight and challenge. The approach would benefit from more integration and connection with performance data and with officers, and a new cohort of councillors represents an ideal time to strengthen this.

5.2 Organisational and place leadership

Shropshire Council has developed strong relationships and is well-respected with particular partner organisations, including the NHS, Fire and Rescue and neighbouring councils acknowledging how the council is investing time in this. Overall, for statutory partners the relationships across were good and the approach of the council is valued. However, this was not consistent and some partners felt that recently there has been a change to the approach and there is now a lack of clarity on who to contact, who are the senior decision makers and how to engage with the council. This may partly be due to the recent changes implementing the leadership board and with a new administration, but the council will want to consider how to make this clearer for partners.

The peer team heard how there are opportunities for the council to step more strongly into its convenor of place role, setting a clear vision and narrative for Shropshire. Working in coproduction with partners on a clear vision of where Shropshire as a place is going will be important, and the council can start to use this to establish productive partnerships. Partners do recognise that capacity is a challenge for the council – *“it’s capacity not commitment”* but there is support from



them to do this. The council will need to consider how it might do this in its very resource constrained position, and if it has the right people in the right places to do this consistently.

Overall, there was a view that there were good relationships between officers and councillors. Where this was mentioned positively these were described as being respectful and responsive. However, this was not consistent and disconnect was referenced. Relationships take time to develop and need to be invested in, particularly with a large number of newly elected councillors, a new administration and a new operating model for officers. This also applies to considering the importance of the member role in policy development and how this is respected across the council. This requires consistent ongoing attention.

The new administration has been well received - they are seen as bringing a fresh perspective and are actively pushing collaboration. This is recognised within the council and with partners. Although still early-on in the new council the cabinet need time and support to transition into a more strategic role and move away from the opposition mindset. The peer team heard that this is starting to happen in some areas but consideration can be given to doing so more consistently.

The peer team heard how the chief executive has a difficult job in holding the organisation together at this time. With the financial pressures and organisational changes being delivered there was recognition of his thoughtful approach and continued emphasis on partnership working across the wider community.

Recognising that arrangements were still new, the peer team heard mixed feedback on the council's leadership board and the target operating model. There were positive reflections that this has improved conversations, and is helping to break down the silos between departments to improve cross-organisational working.

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However, many reported confusion about the new officer leadership structure and were unsure about accountabilities, points of contact and there was a perceived lack of transparency, visibility and a disconnect at this level. There is also a strong perception of a divide within the council with some services having investment while other services have been disproportionately diminished. Staff felt that they could not easily have an open conversation with the management team on this and that some areas were more negatively impacted than others, and they were not getting the benefits that they felt others were getting. There is currently no obvious forum for discussing this, so there is a need to bring staff together more formally and frequently as teams to have conversations collectively.

Staff value the time they can spend together aside from only coming into the office to spend time at a computer and feel that some of this has been diminished in the move to The Guildhall, following the rapid vacation from Shire Hall last year. The opportunity to come together collectively across teams face-to-face as well as online more frequently to build the relationships and work collaboratively would be welcomed by many we spoke to.

The peer team heard good examples of coproduction in some departments for instance in housing, adult social care and children and young people. It is recognised that coproduction could be strengthened across the council and it can build on the good existing examples of this to make this more consistent.

5.3 Governance and culture

The peer team observed that there is a maturity at the heart of Shropshire Council which has supported it over many years. This is playing an important role in keeping the council together and without this it would likely be seeing issues with delivery. People describe working “*above and beyond*” to make things work despite the wider

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challenges facing the council. However, the decision-making practice does not reflect sufficient coordination or collaboration between officers and Members or an appropriate information flow to ensure aligned political and managerial leadership at a time of extreme stress for the council.

Work needs to be done to further develop a culture of respect, transparency, and constructive challenge across the whole organisation. This is especially important given the scale of the challenges facing the council and will require sustained attention. The peer team heard examples where staff felt unable to raise concerns or challenge decisions—particularly in areas affected by recent restructures or where visibility of senior leadership was limited. There were also reports of inconsistent engagement between services and the leadership board, and a perception that some teams were more supported or valued than others. Addressing these issues will be critical to rebuilding trust and fostering a more inclusive and collaborative working environment. Creating regular, open forums for dialogue, ensuring equitable access to leadership, and modelling respectful challenge at all levels could help embed this culture more consistently.

There is a detailed Annual Governance Statement (AGS) which is produced with input from a range of service directors. This is a comprehensive assessment and forms a sound basis for discussion at Audit Committee. However, in the view of the peer team there is optimism bias within the AGS which does not reflect the significance or urgency of the financial situation or governance issues. The peer team felt that plans tend to be written from the point of view that they will be delivered in full, where the peer team heard from many staff that they could not be delivered and in some cases were felt to be imposed with little or no consultation and engagement with managers. The peer team recommend that more is done to coproduce plans to ensure they are deliverable and the optimism bias is recalibrated.

There is worrying feedback in the latest, unpublished, pulse survey measuring how



staff are feeling. These results demonstrate some seriously concerning issues outlining low morale and demonstrating: low numbers of staff feeling positive about the future (only 28% agree or strongly agree); only 43% agree or strongly agree they have the necessary resources or support to undertake their roles effectively; and how 36% only agree or strongly agree that they are empowered working for the council. At this point other than committing to produce a 'You said, We did' document it was not clear how the council will address this so it will need to prioritise this for its staff.

The peer team heard that a comprehensive and well received member induction programme has been delivered. This was not consistent from all councillors but most thought this was a good introduction to the council and their role. This was particularly important with 69% of councillors being new to the council and new to councils, so essential that they received a high quality induction programme. It will be as important that on-going support and development for all Members, including those with additional responsibilities, is maintained.

Partners commented on positive early signs for the new administration such as including opposition members on Audit & Scrutiny, seeking to engage more with Parish & Town Councils and exploring devolution options with regional neighbours. Partners recognised the commitment made by the new administration and specifically the leader and chief executive to continue discussions about possible devolution options.

There is some evidence of service directors collaborating within the new operating model in innovative ways and decision making at pace such as the delivery of new local hubs. The peer team were impressed with the council's approach to developing these as a good example of supporting local communities and where the council is working well.

The North West Relief Road and the growth in costs was raised as a key issue facing the council whilst the peer team were onsite, with the [council pausing all work on the](#)



[project](#) at the end of June. The peer team did not do a forensic audit but believe that this should not be seen as the way the council manages all projects – this appears to be an outlier and is not emblematic of how the council operates. However, what the council does now to recover the position remains important.

There have been 6 years of ‘limited assurance’ internal audit opinions with no apparent appetite to rectify this. The peer team consider this is either a lack of organisational desire to improve or the grip and commitment to do so, or both. The council needs to address this as a priority.

The new target operating model, and in particular the relationship between the leadership board and the Cabinet, is not yet well understood or embedded across the organisation. The peer team heard that engagement between Cabinet Members and officers is inconsistent, and there is a lack of clarity about how the model supports effective decision-making, accountability, and delivery of change. This uncertainty is contributing to confusion both internally and externally. To address this, the council should prioritise clear and consistent communication about how the model is intended to function, including roles, responsibilities, and routes for collaboration and challenge. This will help build confidence in the model and ensure it supports the council’s transformation ambitions.

Partners, staff and councillors commented on the noticeable gaps in key areas of operation and a lack of staff capacity and low morale following the management restructure. There is a perception that there is no plan on how to tackle these issues. For example, in the former place directorate the departure of senior directors has left a gap in capacity which needs to be addressed.

Member and officer relations have yet to mature in a consistent way at a senior level to the extent the peer team would have expected and there is no sense of a shared endeavour to deliver for the people of Shropshire. People executive directors and directors and cabinet members have used the run up to the election, pre-election

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scenario planning and the first eight weeks of the new administration to build effective early relationships. In particular it is clear that in the first few weeks (perhaps assisted by the immediacy of the ILACS Ofsted inspection) that close and effective working relationships, led by the executive director and service directors, were developed. This is not consistent across the council. There is now a need to ensure all appropriate officers meet with, brief and build effective relationships with the new administration and start to build trust.

There is an absence of a best practice 'golden triangle' meeting between the head of paid service, monitoring officer and s151 officer. It is important these officers come together frequently and use their statutory powers to ensure appropriate factors are being considered in decisions and appropriate measures are taken to reduce organisational risk. This is especially important in the current financial position. Lawyers in Local Government, the Chartered Institute for Public Finance & Accountancy and the Society for Local Authority Chief Executives & Senior Managers have collaborated on the production of a new [Code of Practice on Good Governance](#) aimed at helping the three senior statutory officers work effectively together, as well as the [golden triangle governance roles and responsibilities](#).

The peer team consider that there are weaknesses in the overall managerial leadership capacity to respond to the competing challenges of developing a Member-led revitalised Shopshire Plan, Members' more immediate stated priorities, delivering significant budget savings in a timely way and developing a plan for a sustainable council. Officers have focused attention on the delivery of savings but there appears to be an absence of a credible plan or capacity to manage these competing challenges at play in the council.

There is an appetite to improve some elements of governance, particularly the impact of scrutiny and audit, the quality of decision making and service delivery. A coordinated scrutiny programme with pre-decision scrutiny and focused task groups

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could hold cabinet and senior officers to account and improve resident outcomes. This could include:

- Maximising opportunities for pre-decision scrutiny by identifying topics far enough ahead of a decision to be able to carry out effective scrutiny and develop evidence-based recommendations to shape policy and/or inform decisions.
- Scrutiny committees undertaking overview and scrutiny work through targeted and well-defined investigations appropriate to the topic. For example, this could include task and finish groups, whole committee working outside of committee meetings, or carrying out work over multiple committee meetings.

5.4 Financial planning and management

The financial sustainability of the council remains the most significant concern and the peer team consider this is the number one priority. This message is consistent with other previous external assessments of the council's finances, but the situation has continued to worsen. Shropshire Council is now in severe financial distress and urgent action is required.

The council's 2025/26 [financial monitoring for period 2](#) shows the indicative year end level of savings delivery of £31.438 million (53%), of the £59.876 million target, resulting in a projected spend over budget of £13.174 million. Of wider concern, is that £35.9 million of savings had not yet been 'planned' at this stage of the year.

The general fund balances are very low and the planned contribution to reserves of £29.5 million agreed at Budget Council in February will not be possible due to the need to release £20.5 million from the reserve to fund high risk cost pressures and £13.174 million overspend forecast at period 2. This results in the forecast general fund reserve at the end of the year being reduced to £0.606 million if no further action were taken, and could be completely wiped out if the position worsens throughout the year.



Although most people the peer team spoke to acknowledged the scale of the financial challenge and expressed confidence that it could be addressed, there was a notable lack of clarity about how this would be achieved. Very few individuals were able to articulate the details of the financial plan and at the time of the peer review there was not a refreshed and updated MTFS. This suggests that, while there is broad awareness of the issue and 'organisational' optimism about resolving it, the absence of a clearly communicated and widely understood financial strategy is now undermining organisational delivery and confidence. The peer team recommends that the council urgently develops and shares a coherent financial plan that demonstrates how it will achieve sustainability and resilience by 2030. This plan should clearly set out how the council will deliver a balanced budget each year without reliance on one-off resources or reserves and incorporate the forecast need for EFS support over the medium term.

In building on the CIPFA Resilience Review, 2025/26 in year position and CPC feedback it should formally consider, document and publish its assessment of whether to issue a S114 notice. This is done internally at present but this will be important so that there is external awareness of the situation.

It is a serious concern that the budget process has not commenced this year. The cabinet and officers should urgently launch a 4-year budget process to determine priorities, delivery plan, reserves strategy, external support requirements (including EFS) and a roadmap to give clarity and coherence to outline the point at which the council is financially stable. The peer team observed that the lack of a corporate budget process or engagement process was leading to frustration and a lack of confidence from Members and senior officers. This will ensure that the position is transparent and ensure that everyone can see and understand the financial plan.

To support the council on this journey, it is essential to build in regular checkpoints

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for engagement with wider Members, the leadership team, and the Ministry for Housing, Communities and Local Government (MHCLG), and to draw on sector support. The peer team believes there is now significant value in quickly establishing an externally supported, independently led Improvement Board. This board should not be limited to financial oversight but should provide strategic guidance and challenge across all areas of change required. It should include representation from CIPFA, a governance expert, and LGA peers, and ideally operate with the support of MHCLG to help advise, assist, and drive the urgent transformation now needed.

Shropshire Council has a committed and knowledgeable finance team which is appreciated and valued by departments and colleagues. The peer team heard how they were working across the council and had good relationships with teams. The rollout of the enterprise resource planning system and business partnering has also facilitated improved ownership and accountability from budget holders.

The council has put in place a comprehensive savings dashboard, which is produced regularly and was described by external audit as among the best they have seen. The peer team observed that the dashboard has significantly improved visibility and understanding of the savings challenge across the organisation. In some areas, it is being used to track delivery, highlight underperformance, and prompt corrective action - such as reviewing demand assumptions, adjusting delivery timelines, or reallocating resources. However, there is now an opportunity to strengthen the use of this tool by ensuring that insights from the dashboard consistently lead to timely and coordinated mitigations. For example, period 2 monitoring shows that the projected outturn for People Services in 2025/26 (£293 million) exceeds the council's total net budget (£288.5 million) approved at Budget Council, signalling the need for focused in-year action and longer-term planning in this area, as this is clearly not sustainable.

There was evidence that the new operating model was creating professional teams

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to work across the council. However, this needs to be developed to create a one-council framework of assurance, performance, transformation and delivery to ensure whole council improvement and change. There are examples of excellence such as the approach to homelessness, but this is not consistent. Currently it is not clear in all cases where the accountability lies and this will be critical to support transformational change. The move to the collegiate leadership board also has the potential to dilute accountability for delivery of individual savings or programmes of improvements. The council should consider whether to consult and develop a new clear one council accountability framework to guard against this.

There was a widespread view that savings and transformation programmes and their sign-off included optimism bias and were sometimes imposed on areas, leading to inevitable under-delivery. The peer team heard this across the council and a more realistic approach to preparation of financial planning needs to be initiated which includes wider discussion and agreement. There was feedback that savings plans were reactive and there was not genuine confidence that they could be delivered even as they were being agreed.

Through a variety of forums, the peer team were informed that the core enabling services, procurement, business partnering, income, ICT, and Insight have been resized to a level where there are negative consequences meaning that they cannot deliver positive financial impacts as effectively or at all. The team heard an example of this in the council tax collection area where this is now impacting on the collection rate which has reduced from 98% to 96%. The peer team recommend that the council should seek external support and benchmarking through the Improvement Board to review optimum size for enabling services. Keeping this as an open conversation to understand the issues and to drive transformation and improvement in areas where needed is important.

The peer team observed there is a reliance on the use of one-off and time limited non

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recurrent funding. This places the road to sustainability at risk and there is the need to model the fall-out of non-recurrent funding including flexible capital receipts on core capacity and plan for this to avoid the journey to sustainability stalling.

5.5 Capacity for improvement

The new administration's first steps have been well received by Members and partners and provide an opportunity to improve culture and collaboration. There is also a high level of stability, experience, loyalty and knowledge within the management team that clearly wants to deliver the change the council needs. It is clear that people want to do the right thing to drive the council forward.

However, there is a significant disconnect between the senior political and officer leadership that risks mixed and confused priorities being presented and this needs urgent consideration. There needs to be a clear plan that encompasses both the political priorities of the new administration and the transformation activity designed to deliver MTFS savings.

The leadership board, programme management office and change boards have been established and are creating a structure to deal with the challenges. This potentially provides a means of delivering improvement and organisational oversight and grip. An external Improvement Board should bring these together in the form of a single plan.

Shropshire Council's social care services are in a strong position and have a good base in terms of quality from which to face future financial and transformational challenges. The council is already working closely with the NHS and there is a clear opportunity to work even closer.



The capacity and capability of commissioning and procurement functions risks missing opportunities for savings and innovation. The peer team think the new commissioning arrangements have real potential but query if there is the right number of staff within this to have the impact which the council thinks it will. Not all commissioning across the sectors is the same so the council will need to ensure that it has the right mix of skills and experience to be able to deliver this function.

There is good demonstration of how using external support can drive improvement through the successful Children's Voluntary Improvement Board which has now become an Aspirations Board. The peer team think that there is an opportunity now to apply this learning and the model to drive improvement in other areas through an externally supported, independently led Improvement Board.

The impact of recent management departures through voluntary redundancies has contributed to a sense of organisational gaps, with some staff referring to a “brain drain” effect. The peer team noted concerns that this may affect the council's ability to maintain momentum and deliver on its priorities, particularly if key expertise and leadership capacity are not sufficiently retained or replaced. In light of this, the council may wish to consider how it assesses and strengthens its organisational capacity going forward—potentially through a targeted review of critical roles and functions, supported by sector expertise where appropriate. This could help ensure the council is well-positioned to manage its transformation agenda and meet future challenges with confidence.

There is a perception that staffing reductions have not been matched by similar changes in workload leading to managers feeling unable to give improvement activity sufficient time. The council needs to ensure that managers feel able and are able to give this sufficient time.

Success within the organisation can be better celebrated to encourage improvement.

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This is difficult when the council is in financial distress but it is important to recognise the good work of staff which is being delivered. Conversations onsite and the pulse survey outlined the perspectives of staff and whilst there was some positive feedback on relationships with immediate teams there are some serious issues which need careful attention. This again illustrated the views that not all parts of the organisation feel equal – with some feeling noticeably more happier and supported than others. These results need to be understood, analysed and acted upon further to develop an urgent management response. The next steps will be crucial for the organisation.

The peer team discovered a perception from some staff around inequality in the handling of HR issues depending on where in the council they were working. The council will want to consider this and ensure there is consistency in the approach.

Adult Social Care and its budget pressures

The peer team saw strong visible joint leadership between new cabinet members and senior officers, with effective induction and briefings.

The council's delivery of adult social care was rated as 'Good' by CQC in February 2025, and it has an ambition and plan to achieve 'Outstanding', with a good understanding of what this means across the council.

There are good relationships with partners and provider organisations. Organisations have valued positive contact with the Leader and new cabinet members who had signalled early-on the value in working with them. There are also respected relationships with place partners, including community and voluntary sector colleagues, with a collective recognition to focus on strengthening co-production with people and communities and shared beliefs on the importance of prevention.



The peer team met with a positive, connected, and purposeful workforce, as reflected in staff surveys demonstrating alignment with the council plan, new operating model, and savings plan. The workforce felt celebrated and invested-in by the council and provided positive feedback on this experience.

The services delivered some savings with close working between adults and finance colleagues over three years through various initiatives, including accessing CHC/Section 117 funding and reducing people's need for paid care. The council is at risk from other partners' decisions which impact this budget and although this may be difficult to manage it should ensure that it is understood and modelled within the budget so there are no surprises towards the end of the financial year.

The council's end-of-year financial position for 2024/25 was worse than anticipated, particularly in adult social care, where a significant shift in the year-end budget position has prompted an internal review. While the general fund reserve ended in a positive position, this was described by auditors as fortuitous rather than planned, highlighting concerns around financial forecasting and resilience. The peer team noted that the underlying issues contributing to the overspend appear to align with previously identified savings areas, reinforcing the need for improved financial planning and in-year monitoring.

Care does need to be taken to properly understand demand and the need to get the budget setting process well established. It would appear to be difficult to deliver to budget in 2025/26 because it has not been done in previous years and there is already a significant overspend in P2. The peer team understand that the budget is set early-on in the year and if this is set on the basis of forecasts which are not accurate then the budget will be erroneous and it may not be possible to deliver against. A comprehensive model needs to be in place to guard against this.



Utilising benchmarking with the CIPFA Group for 2023/24 shows:

- A lower number of adults with long-term care needs receiving care, compared to other councils, supported by investment in reablement and technology-enabled care
- Average benchmarked spending on adult social care – but there is a potential change for 2024/25 based on the outturn position following month 11.

The council has relatively high fee rates which support market stability and good outcomes for people living in their own homes and communities. There are further opportunities for the council to build on relationships and collaboration with Partners in Care and the Care Sector to further address fee rates, market shaping, innovation, and self-funding care.

There is continued commitment from the service to being ambitious and innovative, focusing on doing the right thing for people and families which realises savings. This includes an open approach to learning, with identified areas for further improvement, including self-funded care community reablement and the Disabled Facilities Grant. The council is actively seeking best practice and input from national partners.

Overall, the peer team think the council is in a good place but it needs to ensure the accuracy of the financial forecasts for future years to avoid immediate 'structural deficits' for the service at the start of the next financial year. The peer team would recommend that the baseline is captured and modelled nearer the time of seeking approval of the council's budget and is considered as part of the robustness of estimates assessment as part of the S151 Officers Section 25 statement issued as part of the budget report. The peer team question whether the quantum set in the adult social service budget is correct as the service has historically and in the future will always overspend if growth and savings in this area is 'under-budgeted' to start with. Such a situation drives the wrong behaviours and likely exacerbates the

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Chair: Councillor Louise Gittins

Chief Executive: Joanna Killian

President: Baroness Grey-Thompson



overspend in future years by bringing all the focus into immediate short-term savings rather than medium term transformation.

How the council is getting best value from its contracts – to include Highways, Veolia etc.

Overall, the peer team heard evidence of good outcomes from the council's key contracts with performance appearing to be good. This was supported by shared ownership across the cabinet and leadership board for the improvement journey required to consistently get best value from all contracts. However, there are some reflections to the council on its approach:

- **Consider the council's capacity.** The council appears to have appropriate terms to manage its contracts. However, the peer team is not convinced that there is sufficient capacity within those teams to manage all the contracts appropriately in the ways in which it would want to. The council may want to consider if there are certain contracts which require further attention and if so, it may need to bring in more capacity or, if there is an opportunity to, reallocate resources.
- **Obtain clarity around existing contracts and finalise the council's contract register.** The peer team recognise that the council is working on this so would encourage it to focus on completing so that it can consider now what it intends to do about some of the contracts in future, particularly those which finish in March 2026 where urgent clarity is required. The council needs to be clear on its approach overall.
- **Consider the appearance of bias:** The council needs to be careful to avoid the appearance of being biased for or against individual businesses. Perception issues with some aspects of certain contracts should be addressed directly through clauses in the contract management framework.
- **Learning and good practice:** Take the learning and good practice from the commissioning of successful services but be mindful there are differences



between commissioning services for place and people.

- **Understand the social value benefits being gained:** Contractors are delivering a range of social value benefits for local people and communities which are being delivered alongside the contracts, the council may be able to optimise the impact of the by ensuring all services are aware of the opportunities.
- **Improvement:** Contractors are willing and able to help the council in its improvement and transformation programme and have national networks focussed on such change. The council can consider how it may want to engage in this for the benefit of Shropshire.

The progress of council finances against previous reports especially around savings and the level of balances

The peer team have outlined the financial position elsewhere in this report in comparison to the previous reports and commented on the level of balances. There are some additional comments for the council to consider:

- The accuracy of reporting and 'keeping the score' has improved and is generally good - except for Period 12 for Adult Social Care which is now subject an internal audit review.
- The development of dashboards has now strengthened visibility and tracking. There remains work to be done on clarity of mitigations.
- Auditors reported the positive year end general fund reserve was fortuitous rather than planned. There is a need for more sensitivity modelling and a coherent reserves strategy.
- There is a lack of a reserves strategy which has led to use of reserves as a funding source rather than an assessment of resilience.
- In reviewing the approach of the past three years this has a dominance on short term solutions with limited longer term structural solutions other than the resizing of the organisation.



6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. Following publication of CPC report you need to produce and publish an Action Plan within 5 months of the time on site, by 18th December 2025. As part of the CPC, the council are also required to have a progress review and publish the findings from this within twelve months of the CPC, by 18th July 2026. The LGA will also publish the progress review report on their website.

The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

In the meantime, Helen Murray, Principal Adviser for the West Midlands, is the main contact between your authority and the Local Government Association. As outlined above, Helen is available to discuss any further support the council requires via Helen.murray@local.gov.uk.

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Shropshire Council Improvement and Assurance Board – DRAFT Terms of Reference

Shropshire Council Improvement and Assurance Board - Terms of Reference

1.0 Status

The Shropshire Council Improvement and Assurance Board (“SCIAB”) was convened by Shropshire Council in response to the recommendation in the Corporate Peer Challenge and the Council declaring a financial emergency in September 2025. Its purpose is to provide assurance that the Shropshire Council is focussed on the key activities which support the on-going financial sustainability of the Council, its improvement journey and improved outcomes for the residents of Shropshire.

The SCIAB will consider transformation and improvement activity through the perspective of the Best Value statutory guidance themes of good practice for an authority: Culture, Leadership, Governance, Use of Resources, Partnerships and Community Engagement, Service Delivery and Continuous Improvement. The SCIAB will provide assurance that improvement activity across the Council is being effectively managed, progress is being made and that it is owned by the Leadership Board supported by the wider Senior Leadership (SLT) Team and by the Political Leadership of the Council.

2.0 Purpose

The purpose of the SCIAB is to provide external advice, challenge, and expertise to Shropshire Council in driving forward the development and delivery of the Improvement Plan.

The SCIAB will provide external advice, challenge, and expertise on the full range of Council improvement and transformation activities.

3.0 Aim

The aim of the SCIAB is to oversee and drive the delivery of the Council’s Improvement Plan and transformation activity.

4.0. Key Objectives

- To proactively monitor and oversee the management of the delivery of the Council Improvement Plan.
- Challenge the delivery and direction of the actions contained within the Improvement Plan to ensure that improvement deadlines are met.
- Ensure financial sustainability of the Council is achieved through the delivery of the agreed Improvement Plan actions and MTFP.

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- To challenge the pace and impact of the Council's improvement Plan.
- To receive assurances from Cabinet Members and responsible Officers for ensuring delivery at pace of the transformation and improvement plan.
- To assure key stakeholders, including Government, External Auditors, Audit Committee and the Overview and Scrutiny Committees about progress in delivering the agreed Improvement Plan actions.
- Provide clear advice, challenge, and support to the Council on the full range of improvement activities to ensure financial stability and assurance about the longer-term position of the Council.
- Explore key issues and challenges through detailed exploration and drill-downs.
- To identify issues that could lead to non-achievement of the Council Improvement Plan, along with the required remedial action.
- Seek assurance that key decisions are cognisant of the financial implications and impact on in-year budgets and the MTFS.

5.0 Servicing of Meetings

The SCIAB Improvement Advisor/Programme Management Office (PMO) will be responsible for ensuring:

- (a) dissemination of agenda and reports
- (b) taking of minutes and recording of actions and recommendations.
- (c) dissemination of minutes and Action Log
- (d) management of the forward plan
- (e) Meetings will be held in private, minutes not published but actions and progress reported through the Council's Cabinet.

6.0 Frequency of meetings:

Meetings will be monthly, unless otherwise agreed by the SCIAB.

7.0 Format of Meetings

Meetings will be a combination of in-person and Microsoft Teams at the direction and agreement of the Chair and Panel Members.

8.0 Membership

Chair: Independent Chair
Chief Executive
Group Leaders (Shropshire Council)
Executive S151 Officer
Monitoring Officer (As required)

Group Leader Member External Peers (Advisors)
Local Government Association Representative (In attendance)

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MHCLG Representative (tbc In Attendance)
Portfolio Holders and Executive/Service Directors (As required)

Changes to Membership:

Changes to membership can be agreed by the SCIAB. The SCIAB may invite anyone who it believes will be useful in achieving its aims and purpose to attend meetings or join the SCIAB as a full member or a co-opted member including, members of the Council's Leadership Board, Senior Leadership Team and other subject matter experts, at the direction of chair.

9.0 Governance

The SCIAB will work within the governance framework of the Council as an Advisory Panel, it will not vote on decisions and instead would provide constructive challenge and advice in the round. However, it will, with the officer and political leadership of the Council, agree messaging around progress and delivery of the Improvement Plan.

10. Costs and Support

- 10.1 Any costs associated with the SCIAB will be met by Shropshire Council. This includes the officer time required to support the SCIAB, and the delivery of the Council's Improvement Plan. The LGA will meet the costs of the Chair, Group Leader members external peers, and LGA member representative for this financial year.
- 10.2 SCIAB members will need to work flexibly as the demand of the role. The Chair will have access to elected Members and the executive team.
- 10.3 The SCIAB will be supported by the Improvement Advisor's office PMO to ensure that the overall programme plan is proactively tracked, kept up to date and that issues and risks are managed.

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