Date: Wednesday, 15 July 2026

Time: 10.00 am

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

Contact: Michelle Dulson, Committee Officer
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AUDIT & GOVERNANCE COMMITTEE

TO FOLLOW REPORT (S)

8 Overall assurance: Annual Governance Statement and Code of Corporate Governance 2025/26 (Pages 1 - 64)

The report of the Section 151 Officer.

Contact: Duncan Whitfield (01743) 254928

To Follow - Awaiting updates to action plan and risk mitigations.

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Committee
Audit and Governance Committee

15th July 2026
10:00am

Public

Annual Governance Statement and Code of Corporate Governance 2025/26

Cabinet Member:	Roger Evans – Portfolio Holder for Finance	
Lead Director:	Duncan Whitfield -Executive Director S151	
Service Area:	Finance and Governance	
Report Author	Duncan Whitfield	
Officer contact details	01743 254928 duncan.whitfield@shroshire.gov.uk	
Electoral Divisions Affected	All	
Key Decision?	Non-Key	
Cabinet Forward Plan	Not applicable	
Report considered by	N/A	

1. Purpose of Report

1.1. It is a requirement under the Accounts and Audit Regulations 2015, Regulation 6, to produce an Annual Governance Statement (AGS) to accompany the annual statement of accounts, which must be signed by the Leader of the Council and the Head of Paid Service. This statement should be considered after a review of the effectiveness of the Council's system of internal controls as required by the Accounts and Audit Regulations.

1.2. As part of the review of the effectiveness of the Council's system of internal controls, Shropshire Council's Code of Corporate Governance has been examined, the results of which have informed the AGS. The Code is compiled based on guidance provided by the Charted Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Government Chief Executives

(SOLACE) and identifies how the Council achieved reasonable corporate governance in 2025/26.

2. Recommendations

The Committee is asked to:

2.1. Consider, with appropriate comment, the Draft Annual Governance Statement 2025/26 at **Appendix A**.

2.2. Receive and comment on the Internal Audit conclusion that the Council has reasonable evidence of compliance with the Code of Corporate Governance. The detailed code, incorporating evidence, is contained in **Appendix B**.

2.3. Note the progress made on the actions identified in the 2024/25 Annual Governance Statement contained in **Appendix C**.

3. Background

3.1. Shropshire Council is required to prepare an Annual Governance Statement (AGS), **Appendix A**. The AGS is an accountability statement from the Council to stakeholders setting out how well it has delivered on governance over the course of the previous year. The Council demonstrates how it complies with the principles of corporate governance set out in the CIPFA and Solace governance framework; Delivering Good Governance in Local Government: Framework, April 2016 and the addendum published in May 2025, containing seven governance principles. Whilst CIPFA has not established any ‘set text’ for authorities to use in acknowledging their responsibility for the governance framework, by adopting the framework, the Council ensures that its governance arrangements accord with best practice.

3.2. The framework is a discretionary code against which the Council is judged. In addition to the Council acknowledging its responsibility for ensuring governance is effective, the AGS should:

- focus on outcomes and value for money;
- evaluate against the local code and principles;
- be in an open and readable style;
- include an opinion on whether arrangements are fit for purpose;
- include identification of significant governance issues and an action plan to address them;
- be signed by the chief executive and leading member in a council.

3.3. The framework also requires a section to be included in the AGS that accounts for actions taken in the year to address the significant governance issues identified in the previous year’s AGS. This has been integrated within each of the relevant principles and the completed Action Plan is attached as **Appendix C**.

3.4. The Audit and Governance Committee play a very valuable role in the development of the AGS and in the finished look of the statement. The Committee’s terms of reference include a requirement to review and report on the adequacy of the Council’s Corporate Governance arrangements. Compliance with the Code helps to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources to achieve desired outcomes for service users and communities.

4. Summary of Main Proposals

4.1. This report looks at the governance arrangements in place for last financial year to enable the Audit and Governance Committee to deliver its year end assurance report. The Committee should also understand the process that has been undertaken to review governance and so should be able to see how the conclusions in the AGS have been arrived at. There should be no real surprises for the Committee allowing it to provide a valuable reality check for the Statement.

4.2. The Committee can send an important message about the value and importance of the AGS, which will assist those providing assurance to support its conclusions. Once the AGS has been received and commented upon, the Committee can review progress in implementing the actions, so helping to ensure that the AGS is meaningful and is an effective tool for governance improvements.

4.3. Shropshire Council's Code of Corporate Governance, which forms part of the Constitution, is based on the seven core principles referred to in the CIPFA framework.

4.4. The Monitoring Officer and Section 151 Officer are responsible for ensuring an annual review of compliance with this Code and Internal Audit independently reviews the governance process. In conducting the review, evidence is collated from prime documents and, following discussions with and statements from key officers, this information is compared to known results of Internal Audit reviews. The assurance is then circulated publicly through Audit Committee which allows for further member and officer challenge. The results of this review are included in the Chief Audit Executive's annual report and will form part of the overall assurance for the Annual Governance Statement.

4.5. On a practical basis, the Code contains a corporate governance map defining our framework by reference to key processes, procedures and documents which contribute to our aspiration of excellent corporate governance in Shropshire. This is felt to be a very useful way of illustrating how the Council achieves good corporate governance.

4.6. The Council's formally adopted Code of Corporate Governance is compliant with CIPFA/SOLACE guidance. The Code was reviewed by Internal Audit to determine whether the Council complied with the approved Code of Corporate Governance and is assessed as Reasonable; the evidence in **Appendix B** demonstrates in the areas examined there is generally a sound system of control but there is evidence of non-compliance with some of the controls, these have been escalated to senior management.

4.7. The Draft Annual Governance Statement, **Appendix A**, is meaningful and written as an open and honest reflection of the Council's governance and current challenges. It identifies areas for improvement in an action plan and explains how the Council has complied with the Code of Corporate Governance and meets the requirements of the Accounts and Audit Regulations 2015. It is structured to reflect each of the principles in turn. Compliance with the Council's existing Code of

Corporate Governance has been reviewed and assessed and is reported in **Appendix B**. Significant Governance Issues are identified within the AGS for targeted improvement activities with identified lead officers and time frames.

4.8. The Annual Governance Statement is a key corporate document with the Chief Executive (CEO and Head of Paid Service) and the Leader having joint responsibility as signatories for its accuracy and completeness. It is also important that all other senior officers provide assurances to the process. As a corporate document which is owned by all senior officers and members, the preparation of the Annual Governance Statement is coordinated by the Head of Policy and Governance and overseen and approved by executive directors supported by senior management.

4.9. In compiling the Annual Governance Statement, a review of the effectiveness of the Council's systems of internal controls, as required by the Accounts and Audit Regulations 2015 (3), is conducted and information is obtained from a range of sources. As such, the signatories to the statement can assure themselves that it reflects the governance framework for which they are responsible. Annex A of the Annual Governance Statement (AGS) Assurance Framework 2025/26 clearly identifies the areas from which assurance and supporting evidence has been obtained, thereby demonstrating the effectiveness of the Council's systems of internal control. Further key assurances are provided via:

i) CEO / Head of the Paid Service.
ii) Section 151 Officer and Responsible Financial Officer.
iii) Monitoring Officer.
iv) Chief Audit Executive (Head of Policy and Governance).
v) External Audit and other review agencies.

4.10. To moderate their views and to identify the significant governance issues to be identified in the AGS, Statutory Officers consider information from their services and across the authority (second line of assurance), and third-party reports such as Ofsted, peer reviews, internal and external audit (third line of assurance).

4.11. The Annual Governance Statement is a key document which identifies the strong systems and processes the Council has in place to continue its high standards of corporate governance. A copy of the Statement is attached as **Appendix A**.

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

4.13. Having considered the evidence from management assurances, Internal Audit, External Audit, peer challenge, and Improvement Board oversight, our overall conclusion for 2025/26 is:

- The Council's governance arrangements remain in transition, reflecting a period of material financial stress and organisational change.
- The Council has acknowledged significant governance issues and has established credible governance responses via the Improvement Plan, People Plan and Improvement Board, enhanced financial controls, and strengthened scrutiny.
- In line with the CIPFA/SOLACE framework and the 2025/26 addendum, our governance framework is **Reasonable**, with proposed improvements underway to ensure it is applied consistently across the Council. Defined actions are in place to address identified weaknesses, particularly in financial sustainability and control limitations.

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

5. Alternative Options

5.1. There are no alternative options to be considered.

6. Key Risks and Opportunities

6.1. Risk management is part of the overall arrangements for internal control and contributes to the Council's position of strong governance. Corporate Governance is part of the overall internal control framework and contributes to the Council's governance arrangements. The AGS has been drafted based on information contained in the risk register alongside assurance from key officers. The strategic risk register is monitored and updated by senior managers and is a useful tool to identify governance issues. Consequently, this creates a clear link between the AGS, the strategic risk register, business planning and performance.

Risk	Mitigation	Link to Strategic Risk
Financial sustainability and delivery of a balanced budget – continued financial pressures may affect the Council's ability to maintain effective governance, deliver statutory services and achieve corporate priorities.	Ongoing monitoring through the Medium Term Financial Strategy, budget monitoring, savings delivery arrangements, member oversight and escalation through corporate governance and risk management processes.	Inability to Contain overall committed Expenditure within the Current Available Resources within this Financial Year. Inability to Set a Balanced Budget for a given year within the MTFS.
Delivery of transformation, savings and key strategic projects – delays, weak governance or	Programme and project governance, savings tracking, benefits realisation monitoring, clear accountability, risk escalation and reporting	Failure of Officers and Members to adherer to governance arrangements.

Risk	Mitigation	Link to Strategic Risk
insufficient capacity could affect the delivery of savings, intended outcomes and corporate priorities.	through senior management and member oversight arrangements.	
Ethical governance, culture and decision-making – weaknesses in standards, transparency, declarations of interest or decision-making processes could affect trust and accountability.	Code of Corporate Governance, Constitution, member and officer codes of conduct, Monitoring Officer oversight, declarations processes, training and Audit and Governance Committee review.	Failure of Officers and Members to adhere to governance arrangements.

6.2. The AGS offers opportunities to strengthen assurance and accountability as the process can improve the visibility of key controls, assurance sources and ownership of improvement actions.

6.3. The AGS also supports Best Value through supporting delivery of improvement activity by focusing attention on governance areas that affect economy, efficiency and effectiveness.

7. Council Priorities

7.1. The AGS links the Council's governance arrangements to delivery of all elements of the Corporate Plan by showing how internal control, risk management, decision-making and accountability support the achievement of corporate priorities. It also identifies significant governance issues and improvement actions, helping ensure that risks to delivery are understood, owned and addressed.

8. Financial Implications

8.1. Currently there are no financial implications. Any which arise when implementing future improvement activities will be reported upon separately in accordance with approved policies.

8.2. By maintaining a system of good governance and managing and mitigating risks where practicable Shropshire Council can ensure that it gets the best value from its assets. The AGS also has a focus on value for money outcomes.

9. Legal and HR implications

9.1. Currently there are no Legal or HR implications. Any which arise when implementing future improvement activities will be reported upon separately in accordance with approved policies.

10. Electoral Division Implications

10.1. Currently there are no electoral division implications. Any which arise when implementing future improvement activities will be reported upon separately in accordance with approved policies.

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

11.1. Currently there are no health, social or economic implications. Any which arise when implementing future improvement activities will be reported upon separately in accordance with approved policies.

12. Equality and Diversity Implications

12.1. Currently there are no equality and diversity implications. Any which arise when implementing future improvement activities will be reported upon separately in accordance with approved policies.

13. Climate Change, Biodiversity and Environmental Implications

13.1. There are no environmental consequences of this proposal and consultation has been used to inform the Annual Governance Statement and review of the Code of Corporate Governance by seeking assurances and evidence from senior officers as to the effectiveness of internal controls and governance processes.

14. Background Papers

14.1. Accounts and Audit Regulations 2015.
14.2. International Framework: Good governance in the Public Sector: International Federation of Accountants and CIPFA, July 2014
14.3. CIPFA/ SOLACE: Delivering Good Governance in Local Government Framework 2016 edition
14.4. CIPFA/ SOLACE: Delivering Good Governance in Local Government Guidance notes for English Authorities 2016 edition and the addendum published in May 2025
14.5. Centre for Governance and Scrutiny (CFGS) Governance risk and resilience framework March 2021

15. Appendices

Appendix A – Draft Annual Governance Statement 2025/26
Appendix B – Code of Corporate Governance 2025/26
Appendix C - Annual Governance Statement 2024/25 Action Plan Update

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Appendix A

DRAFT (Subject to Audit and Governance Committee consideration)

Annual Governance Statement 2025/26

Introduction

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

There are a number of appendices attached to the Statement:

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

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

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

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

Context

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

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

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

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

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

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

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

Strategic Risks, issues and challenges

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Scope of Responsibility

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

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

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

Assurance Conclusion

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

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

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

Certification

Leader of the Council: *[Name]*

Chief Executive: *[Name]*

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

The Governance Framework

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

Key components of governance include:

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

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

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

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

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

Review of Effectiveness

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

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

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

Significant Governance Issues (2025/26)

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

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

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

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

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

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

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

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

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

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

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

4. People and Capability (Principles E & G)
- Continue to implement the Improvement and People plans to build capacity, leadership capability, performance management, and accountability.

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

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

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

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

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

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

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

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

Shropshire Council Local Code of Corporate Governance

Overview of Core Principles A-G

Principle A
Integrity and Ethics

Integrity, ethical value and rule of law

Principle B
Openness and Engagement

Openness and comprehensive stakeholder engagement

Principle C
Sustainable Outcomes

Sustainable economic, social and environmental outcomes

Principle D
Interventions

Effective interventions to achieve outcomes

Principle E
Capacity and Capability

Leadership, workforce and organisational capacity

Principle F
Risk and Finance

Risk, performance, internal control and financial management

Principle G
Transparency and Assurance

Transparency, reporting, audit and accountability

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Shropshire Council Local Code of Corporate Governance
Principle E – Developing the Entity's Capacity, including the capability of its leadership and the individuals within it

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

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

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

Shropshire Council Local Code of Corporate Governance
Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

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

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

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

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

Shropshire Council Local Code of Corporate Governance
Principle F – Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential to the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.
It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

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

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

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

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Appendix B

Shropshire Council Local Code of Corporate Governance

LOCAL CODE OF CORPORATE GOVERNANCE

INTRODUCTION

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

> *"Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved"*

The International Framework also states that:

> *"To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times."*
> *"Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders."*

GOOD CORPORATE GOVERNANCE

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

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

The principles are as follows:

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

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

B. Ensuring openness and comprehensive stakeholder engagement.

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

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.

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

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

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

Library folder - Shropshire Council Constitution — Shropshire Council

MONITORING AND REVIEW

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

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

The outcome of this review is reported in the Annual Governance Statement.
The following details how the Council meets the core principles and the systems, policies and procedures it has in place to support this.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	
Rational: Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Behaving with integrity** • Code of Conduct for members to ensure that high standards of conduct are maintained. • The Monitoring Officer will review, and where appropriate investigate, any breaches of the Member Code of Conduct. • The Localism Act 2011 abolished the requirement for the Council to have a statutory Standards committee though the Council has retained a non-statutory committee that can meet if required. The Standards Sub Committee has met in 2025/26. • An Employee Code of Conduct establishes the standards of behaviour and conduct the Council requires of its employees. • Standard decision-making reporting format ensures that all those responsible for taking decisions have the necessary information on which to do so. • An Anti-Fraud and Corruption Strategy supported by a Counter Fraud, Bribery and Anti-Corruption Policy which includes a Fraud Response Plan and a Speaking Up About Wrongdoing Policy "Whistleblowing Policy". The strategy is supported by a Whistleblowing hotline for use by employees, stakeholders or the public to report irregularity and fraud. The Audit and Governance Committee receive an annual report of whistleblowing activity. • Code of Conduct in relation to the acceptance of gifts and hospitality for members and officers is held and all instances must be recorded. • In accordance with the Localism Act 2011 Registers of Members' disclosable and other registerable interests are recorded and published on the Council's website. • Members' declaration of interests, a standing item on all agendas. Minutes show declarations of interest were sought, and appropriate declarations made. • Protocols exist for members on Council Representation on various outside bodies. • A Corporate Feedback Policy that is published on the Council's website and is supported by a Complaints, Compliments and Suggestion on-line form. **Demonstrating strong commitment to ethical values** • A Constitution which sets out delegations of the Council, committees and senior officers, and the decision-making process to be applied. It also emphasises that the Council will act within the law. • Terms of Reference exist for all committees. • The Council have both Contract Procedure Rules defining the Council's process for all contracts for services and Financial Procedure Rules defining the safeguards and controls in place for managing public

	money and assets, and these are reviewed on a regular basis. • The Council consults with stakeholders and other interested parties to seek feedback before developing key operational documents. • The Council has a clear, well publicised complaints procedure which requires complaints to be dealt with rigorously and promptly. Complaints are monitored by management and Cabinet, together with improvement actions arising from them. • Employee surveys are conducted and employees are consulted on workforce changes to identify actions for improvement. **Respecting the rule of law** • The Constitution identifies the Service Director – Legal and Governance as the Council's Monitoring Officer and sets out their role. • An Anti-Fraud and Corruption Strategy supported by a Counter Fraud, Bribery and Anti-Corruption Policy which includes a Fraud Response Plan and a Speaking Up About Wrongdoing Policy "Whistleblowing Policy". The strategy is supported by a Whistleblowing hotline for use by employees, stakeholders or the public to report irregularity and fraud. Audit and Governance Committee receive an annual report of whistleblowing activity. • Officers in Legal and Democratic Services play a key role in ensuring that the principles enshrined in the Constitution, sustainable decision making, robust scrutiny, rules of natural justice, standards of conduct, efficiency, transparency, legality and high standards of corporate governance are delivered in practice through the Council's decision-making process. The Service provides advice and guidance on the interpretation of legal developments and has legal officers who are experts in specific areas of Council activities. • Where there have been instances of non-compliance with the Contract Procedure Rules, and where the recognised approval process has been circumvented these have been identified and escalated to the top of the Council for action. • Where there have been breaches in Health and Safety Legislation these have been immediately actioned upon discovery. • All Committee reports require their authors to address the impact of the recommendations with respect to human rights and wider legislation including the Public Sector Equality Duty. • Details of exemption requests and approvals are reported to the Audit and Governance Committee as part of the exempt agenda.
Core Principle B: Ensuring openness and comprehensive stakeholder engagement	
Rational: Local	**Shropshire Council's commitment to achieving good governance is demonstrated below:**

government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.	**Openness** • Adoption of a Publication Scheme that describes the kinds of information available and provides guidance about how to access personal information and submit a Freedom of Information request. • The Council has a small Information Governance team committed to ensuring the principles of Data Protection, Freedom of Information and Transparency are followed and all staff and members are required to undertake data protection training on an annual basis. • Adoption of a standard reporting format in relation to committee reports. The format includes a risk assessment and opportunities appraisal together with the financial implications attached to any recommendations, and appropriate background papers are cited to ensure full transparency. • Council and Cabinet meetings are webcast. Agendas, reports and minutes are published on the Council's website. Meetings are open to the public except in the case of exempt items. • Dates for submitting, publishing and distributing timely reports are set and adhered to. • The Financial Strategy sets out the Council's mission and priorities, these have been revisited alongside delivery of a programme of transformation. • The Shropshire Accord is a cross-cutting piece of work that links with all themes within the Shropshire Plan due to its focus on supporting partnership working between the voluntary and community sector (VCS) and public sector partners. The Shropshire Accord aims to enhance collaboration between Shropshire Council, public bodies, and the Voluntary, Community, and Social Enterprise (VCSE) sector. The Accord is designed to foster partnership and mutual accountability across sectors to improve services and outcomes for the community. It sets out a series of shared commitments and values, outlining how the sectors wish to work together and what they can expect from each other. **Engaging comprehensively with institutional stakeholders** • The Council recognises the importance of communicating its vision and uses several channels to this effect. The Corporate Plan 2026-2030 (due to be finalised May 2026: Informed by the 'New Direction' ambitions, the plan will set out the priorities the Council will focus on to deliver, enable, and influence better outcomes for Shropshire and its residents. The Shropshire 2050 Plan: Sets out the longer-term shared vision and priorities for the county (as a place) that the council will agree and work with partners on. • The Council aims for a consistent approach to communication, reaching and targeting the key customers, stakeholders and partners in the most appropriate way. • The Council aims to improve engagement through consistent branding, so that our stakeholders know what we do and who to contact. This ensures compliance with the Code of Recommended Practice on Local Authority Publicity March 2011. This requires all Council publicity aimed at the public to be clearly and unambiguously identified as being produced by the Council. Material produced should make this evident. • Our website can help residents understand the Council's vision and purpose and how to access services

on a day-to-day level.
- The Shropshire Newsroom hosts all the latest Council news stories with podcasts, videos and photographs available from the corporate Flickr account.
- The Council works with colleagues in the local, regional and national media to complement Shropshire Newsroom and ensure people have access to information about the Council.
- The Council uses relevant social media, as a method of disseminating our information and listening to feedback on issues as they arise.
- Customer Services are available virtually, digitally and through access points around the County supported by mobile hubs in the more remote areas. Customer Services are the main first point of contact enabling people to be more efficiently directed to the services they need.
- The Council uses the Voluntary and Community Sector (VCS) Assembly weekly news bulletin to promote consultations, policy news, engagement opportunities and partnership working opportunities across the voluntary and community sector.
- The Council engages positively and sets out to work in a collaborative open partnership approach with several strategic partners including Central Government departments (Cities and Local Growth Unit, Homes and Communities Agency) and neighbouring local authorities. It is a non-constituent member of the West Midlands Combined Authority; has a proactive Business Board which it services and engages with on key initiatives and policies, which in turn has informed the Local Economic Growth Strategy. The management of One Public Estate continues with other public sector partners. A multi-agency high-cost placement funding panel with Children's Services, Education Services and the Clinical Commissioning Group (CCG) is established to manage high cost placements efficiently.

Engaging stakeholders effectively including individual citizens and service users
- The Council seeks the views from individuals, organisations and businesses on several areas. All Council surveys are delivered online using the corporate approved consultation portal. Links to current consultations are published on the website. Some recent examples of consultations undertaken include budget consultation, the future of Shropshire Tourism, services for adults with learning disabilities and autism and an All-age Autism Strategy. The full list of consultations undertaken is available on the Council website.
- Shropshire's Making It Real partnership was set up by Shropshire Council in response to the national 'Think Local Act Personal' initiative and Making it Real Framework. The aim of 'Making it Real' is for personalisation to be a reality for people who use adult social care services. This approach is driven through a series of 'I' statements outlining how adult social care should best meet people's needs; enabling people to live full and independent lives. The partnership works with the local authority to ensure this approach is adopted locally, through influencing and shaping adult social care services in Shropshire.
- Local consultation continues for specific consultation and engagement activity for services and service

	areas. Locality commissioning activity involves engagement with communities and service user groups. These have helped to identify the needs and priorities of our citizens and make these our key areas for service delivery. Feedback from such events is used to develop strategic plans, priorities and targets. Widespread local consultation has taken place via service user and customer feedback surveys, public meetings and local partnerships to identify the needs and priorities of our citizens and make these our key areas for service delivery. • The Council has a clear, well publicised complaints procedure which requires complaints to be dealt with rigorously and promptly. Complaints are monitored by management and Cabinet, together with improvement actions arising from them.
Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits	
Rationale: The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Defining Outcomes** • The Corporate Plan 2026-2030 (due to be finalised May 2026: Informed by the 'New Direction' ambitions, the plan will set out the priorities the Council will focus on to deliver, enable, and influence better outcomes for Shropshire and its residents. The Shropshire 2050 Plan: Sets out the longer-term shared vision and priorities for the county (as a place) that the council will agree and work with partners on. • Core strategic plans (such as the Economic Growth and Climate Change Strategies) set out specific aims in detail and compliment the overall Corporate Plan. • There is a clear reporting mechanism for performance information which is presented alongside the financial information for the corresponding period to the Transformation and Improvement Overview and Scrutiny Committee. Areas of concern are identified and reported quarterly, and exceptions are monitored more frequently; e.g. monthly, providing greater detail and explanation of the issues and actions being taken. The reports are presented to senior managers and Cabinet. The underlying detailed dashboards are also available to Scrutiny members who can identify specific issues they may want to consider. Cabinet may ask Scrutiny to look at specific issues of on-going concern. Performance reporting is managed through Power BI dashboards. • The Council have established a programme management office (PMO) function under the management of the Service Director for Strategy and Change. **Sustainable economic, social and environmental benefits** • The Council has; a Climate Change Strategy, highlighting its commitment to sustainable environment; an Economic Growth Strategy which lays out its approach to sustainable development; a Commercial Strategy which lays out its approach to becoming a more commercially focused organisation embracing

	commercial culture in terms of how the Council acts to ensure the delivery of high quality services as efficiently and effectively as possible and a Social Value Charter, designed to assist commissioners and procurers to maximise opportunities to improve the social, economic and environment condition of our local area through effective commissioning and procurement. • Climate change is considered in all reports which have a recommendation for a decision. • Resources are employed to assist commissioners and procurers to demonstrate the range and amount of social value generated or the financial value to society because of the added social value.
Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	
Rationale: Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Determining interventions** • A standardised format of decision-making reports is used to ensure that all relevant information is considered such as analysis of options, resource implications, and outcomes of Equality and Social Inclusion and Health Impact Assessment (ESHIA), etc. Options are clearly defined and analysed to ensure decisions are based on the best possible information. • A 'Third Party Spend' Programme that has centralised/consolidated the Commissioning function and focussed on delivering cross-council transformation on processes involving external spending, achieving financial savings, and implementing robust contract management and procurement practices. This is programme three of the Improvement Plan. • An Annual Governance Statement signed by the Leader of the Council and the Chief Executive Officer/Head of Paid Service includes an action plan identifying areas for improvement. **Planning interventions** • A Local Government Association (LGA) Corporate Peer Challenge was delivered in July 2025, and reported to Full Council on 25th September 2025, provided observations and recommendations for improvement, including addressing the financial position and other areas of how the Council operates. • An action plan including initial activity against the recommendations made by the LGA Corporate Peer Challenge was reported to the Cabinet on 15th October 2025. Those actions are included within the Improvement Plan. • One of the key recommendations from the LGA Peer Challenge was to establish an independently chaired Improvement Board. The Board met for its first meeting on 10th November 2025 and will continue to provide external advice, challenge, and expertise to the Council in driving forward the delivery of the Improvement Plan. • The Corporate Plan 2026-2030 (due to be finalised May 2026: Informed by the 'New Direction' ambitions,

ensure that achievement of outcomes is optimised.	the plan will set out the priorities the Council will focus on to deliver, enable, and influence better outcomes for Shropshire and its residents. The Shropshire 2050 Plan: Sets out the longer-term shared vision and priorities for the county (as a place) that the council will agree and work with partners on. • The Council sought opinions on future budget proposals. They set out what the financial issues were and invited the public to engage on them. As detailed earlier, there is a clear reporting mechanism for performance information which is presented alongside the financial information for the corresponding period and subject to scrutiny at all levels. • The Council's performance framework links directly to the Council's outcomes through the Shropshire Plan. Performance is reported quarterly to members through Cabinet, and in more detail to Scrutiny Committees. **Optimising achievement of intended outcomes** • The annual budget is prepared in line with agreed priorities. The Council publishes its Financial Strategy annually to set an indicative three-year financial plan to fit the longer-term strategic vision as well as a detailed one year budget. This is intended to include realistic estimates of revenue and capital expenditure. • Resources are employed to assist commissioners and procurers to demonstrate the range and amount of social value generated or the financial value to society because of the added social value. • Risk management arrangements that are embedded across all service areas and help inform decision making.
Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	
Rationale: Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Developing the entity's capacity** • There is a member induction programme in place, supporting and developing newly elected members. Development interventions are designed in the context of what individual members say they require during their one to one development reviews, and what their roles and responsibilities dictate they need. Member secretaries provide support, and the Member and Officer Protocol clearly stipulates officers' duties to provide professional and technical advice to all members not just those within the Executive. The Local Member Protocol guides members and officers to behave in a way that promotes excellent communication and mutual respect. • The Council recognises that transformation is required for a sustainable budget. EFS application has been approved part of this will be used to develop capacity and re-establish the PMO to lead on transformation. Actions in year include the Corporate Peer challenge, New Direction Paper, Improvement Plan and People Plan. A new Corporate plan is due to be published in May 2026.

its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.	• A Workforce Strategy was adopted to ensure the Council has the right people with the right skills in the right place, at the right level and cost to enable the Council to meet its strategic objectives. A People plan was approved by Cabinet which includes improvement actions aligned to developing the entity's capacity. This includes the development of a new Workforce Strategy. • The Council actively promotes the use of Leap into Learning, an online learning and training platform that allows courses to be tailored to individual officers. This has been extensively used to deliver e learning to a wide variety of employees and to support more conventional training methods by providing a booking and attendance system. • The Council actively promotes the development of staff through work-based apprenticeship schemes. **Developing the capability of the entity's leadership and other individuals** • Protocol on Member/Officer Relations that assists both members and officers achieve good working relationships in the conduct of Council business. • Scheme of Delegation that is reviewed annually considering legal and organisational changes. • Constitution that sets out financial management arrangements through the Financial Regulations and Contract Procedure Rules. • Member Development is managed via the Group Leaders and training is provided as needed. Members are updated on legal and policy changes etc. as required. • Induction programmes for all members and employees. • Training for employees is made available through Leap into Learning which provides all employees with access to online training courses that can be tailored to the individual, dependent upon role undertaken. • Staff are regularly appraised through the annual Personal Development Planning (PDP) Process which includes the identification of training and development needs and drawing up of training action plans to address these. • Apprenticeship Programme offering training, skills and experience in local government. • Health and Safety policies designed to protect and enhance the welfare of staff are actively promoted and monitored. • A coaching connections network group helps to build a pool of people who are skilled in facilitating personal development tools and to develop internal coaching capacity. This network provides group and individual personal development and coaching support to help people through change. • The Council has a weekly update from the Chief Executive to keep individuals abreast of corporate initiatives and major events. Details are also included on the Shropshire Council website through the Newsroom.
Core Principle F: Managing risks and performance through robust internal control and strong public financial management	

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

efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.	Assurance review 2021/22. The next external assessment is due by March 2027, in intervening years a self-assessment is completed and reviewed by the S151 Officer and presented to the Audit and Governance Committee. Internal Audit prepares and delivers a risk-based audit plan in line with Public Sector Internal Auditing Standards which is kept under review to reflect changing priorities and emerging risks. • The Council continues to benchmark some services to assist in identifying areas for review and to ensure that as many performance indicators as possible are performing to the standards that the Council sets. This includes the use of peer reviews to ensure efficiency of operations and learning from External statutory reviews, i.e. Ofsted, Local Government Association Finance and Overview and Scrutiny reviews. • Most financial decisions are reported through to Cabinet, Council and Scrutiny Committee in an appropriate and transparent basis and challenge welcomed from members and officers. All budgets, actuals and variances are reported regularly with supporting information trails. The Financial Strategy identifies a short-term budget plan and a long-term aspirational plan aligned to the outcomes identified in The Shropshire Plan. A full risk assessment is undertaken in support of this. Final Accounts are produced on time and in-line with statutory deadlines and best practice. • Budget monitoring is undertaken monthly, reporting into Cabinet. Quarterly budget monitoring reports are presented to Council. • The Corporate Performance Management Framework including new Service planning and PDP process was developed and implemented in early 2023, and reporting takes place each quarter via the online dashboard. **Robust internal control** • In March 2025, a complete senior management restructure was finalised. The new structure and Council operating model was implemented during the 2025/26 financial year. • There is an effective apolitical Audit and Governance Committee with clear terms of reference which are reviewed annually and based on the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Guidance. • The Audit and Governance Committee, which is independent of Cabinet, oversees the management of governance issues, risk management framework, internal control environment, financial reporting and Treasury Management. • An independent Audit and Governance Committee member was appointed in early 2023. • There is a formally agreed Audit and Governance Committee work plan and training schedule. • An annual report is produced by Internal Audit which provides an opinion on the Council's control environment, and a self-assessment of its arrangements against the public sector internal audit standards and CIPFA's guide to the role of the Head of Internal Audit. • Anti-Fraud and Corruption Strategy which is subject to annual review and is approved by the Audit and

Governance Committee.

- Quarterly fraud reports to the Audit and Governance Committee summarise anti-fraud activity in the year.
- An Annual Governance Statement (AGS) that is subject to review by the Audit and Governance Committee.
- Training is provided to Audit and Governance Committee members on areas relevant to their role.
- There are frameworks in place in relation to child and adult safeguarding.

Managing data

- The Council has a small Information Governance team committed to ensuring the principles of Data Protection, Freedom of Information and Transparency are followed.
- Information Governance Leadership and Oversight Group (IGLOO) and the Information Governance and Information Security Group (ISG) provide a clear process for the consideration and escalation of information governance and security risks. The groups include attendance from across the Council. IGLOO focusses on decisions, compliance and oversight and improvements have been evidenced in response to ICT security and infrastructure concerns.
- Information governance and security awareness including individual responsibilities and good practice is raised and embedded with officers and elected members through the mandatory information governance and cybersecurity training. This is reinforced via targeted communications and more recently phishing simulations. Where staff and members do not complete the mandatory Cyber Security and Data Protection training their IT access is restricted until complete.
- The Council's Information Security Policy provides guidance on the arrangements that must be in place to ensure personal data is kept protected and secure.
- Effective information sharing is undertaken in accordance with the Data Protection Act and the Council's Data Protection Policy.
- Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the Council's overall Privacy Notices published on our website and individual Privacy Statements on forms, in booklets etc.
- A formal Data Sharing Framework Protocol between Shropshire and Telford and Wrekin Partnership in respect of jointly delivered health services.

Strong public financial management

- An audited and signed Statement of Accounts is published on an annual basis containing:
  - A statement of responsibilities for the Statement of Accounts.
  - A statement of the Council's accounting policies.
- An Annual Governance Statement signed by the Leader of the Council and the Chief Executive Officer/Head of Paid Service.

	• Financial procedures are documented in the Financial Regulations. • In September 2025 the Council declared a financial emergency, which has shaped the development of the Improvement Plan, the updated Shropshire Plan and the Medium-Term Financial Strategy. • The financial position is reported monthly to Cabinet. • A new Treasury Management Strategy for 2025/26 was documented and approved and the strategy for 2026/27 has recently been approved. • Most financial decisions are reported through to Cabinet, Council and Scrutiny Committee in an appropriate and transparent basis and challenge welcomed from members and officers. All budgets, actuals and variances are reported regularly with supporting information trails. The Financial Strategy identifies a short-term budget plan and a long-term aspirational plan aligned to the outcomes identified in The Shropshire Plan. A full risk assessment is undertaken in support of this. Final Accounts are produced on time and in-line with statutory deadlines and best practice. • Budget monitoring is undertaken monthly and is reported to Cabinet and quarterly to Council.
Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability	
Rationale: Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.	**Shropshire Council's commitment to achieving good governance is demonstrated below:** **Implementing good practice in transparency** • Agendas, reports and minutes are published on the Council's website. • Adoption of a style guide document that outlines how to communicate more effectively and to ensure communications are consistent and clear. • Adoption of and implementation against the National Transparency Code. • The Cabinet is the Council's key decision-making body and makes decisions within the policy framework approved by Full Council. It is made up of the Leader, who is elected by the Council, and up to nine other members. When key decisions are to be discussed or made, these are published in the Cabinet forward plan in so far as they can be anticipated. If these key decisions are to be discussed with Council officers at a meeting of the Cabinet, this will be open for the public to attend except where personal, confidential or otherwise exempt matters are being discussed. The Cabinet must make decisions which are in line with the Council's overall policies and budget. If it wishes to decide something which is outside the budget or policy framework, this must be referred to the Council to determine. **Implementing good practice in reporting** • Annual Financial Statements are compiled, published to timetable and included on the Council's website. • The Corporate Performance Management Framework including new Service planning and PDP process was developed and implemented in early 2023, and reporting takes place each quarter via the online

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

Appendix B – Shropshire Council's Corporate Governance Framework

Shropshire Council Local Code of Corporate Governance

Overview of Core Principles A-G

Principle A
Integrity and Ethics

Integrity, ethical value and rule of law

Principle B
Openness and Engagement

Openness and comprehensive stakeholder engagement

Principle C
Sustainable Outcomes

Sustainable economic, social and environmental outcomes

Principle D
Interventions

Effective interventions to achieve outcomes

Principle E
Capacity and Capability

Leadership, workforce and organisational capacity

Principle F
Risk and Finance

Risk, performance, internal control and financial management

Principle G
Transparency and Assurance

Transparency, reporting, audit and accountability

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Shropshire Council Local Code of Corporate Governance
Principle E – Developing the Entity's Capacity, including the capability of its leadership and the individuals within it

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

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

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

Shropshire Council Local Code of Corporate Governance
Principle F – Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.
It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

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

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

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

Shropshire Council Local Code of Corporate Governance
Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

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

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

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

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

Significant Governance Issues[1] 2024/25

To ensure services are delivered to acceptable standards whilst achieving the budget savings required whilst managing strategic risks, the Council will strive to achieve the following outcomes:

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
1.	**Governance Issue:** The Council will be unable to deliver a safe service to adults without further intervention. **Targeted Outcome:** To provide a care and support service to adults appropriate to their needs.	Impact of Increased Waiting Lists in relation to DoLs, OT and SI.	Work underway to improve safe pathways across adult social care services and implement a change in operating model. Areas of concerns have lean staffing – OT and Dols for example. The need to adopt models that utilise capacity Demand Management – the council to prioritise support for the pre front door model for Adult services to manage and support alternative pathways to adult social care.	ExDir[2] DAS	March 2026	Role of DASS is now with Natalie McFall as Interim DASS. In the last year this has been reviewed to step down as a strategic risk but remains and operation risk which is monitored through the governance of Senior Management team meetings. We report at Performance Scrutiny committees. We have a continuous improvement plan across the Care and Wellbeing services which also monitors waiting

[1] This action plan includes significant governance issues identified in the above statements and also includes high risks identified in review against the Best Value Framework.
[2] Executive Director

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
						lists and mitigating actions
2.	**Governance Issue:** The Council does not have a grip on Children's demand into the future. **Governance Issue:** The Council will be unable to deliver a safe service to children without further intervention. **Targeted Outcome:** To provide a care and support service to children appropriate to their needs.	Safeguarding Children.	Demand into CSC is showing a gradual downward trajectory for the third quarter in a row, demonstrating that the new structure of Early Help is starting to have the desired impact. There has also been an increase in children exiting the system, more than entered in the last 2 quarters. The Transformation projects are having the desired impact and are a strong foundation of the demand management model.	ExDir People	December 2025	David Shaw appointed as the Director of Children's Services (DCS) from August 2026. Several external reviews of Children's Services and the multi-agency safeguarding partnership have been completed during 2025/26 financial year, including a review and workshop sessions with the Shropshire Safeguarding Partnership, an LGA Children's Services Financial Diagnostic in November 2025, an LGA SEND Peer Review in February 2026. Ofsted also completed a full ILACS inspection in June

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	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
Page 47						2025, with Shropshire achieving an ‘outstanding’ rating. Despite a small increase leading up to August 2025, we have continued to see a reduction in children entering care. The overall rate of Children Looked After continues to reduce. However, we continue to see sustained pressure in seeking Kinship and Foster homes for children who do need to enter care. This has sustained high levels of funding into external residential placements. A strategic approach to whole scale reforms across Children’s Services have been

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
Page 48						presented to People Overview and Scrutiny (POSC) and received unanimous support. We are therefore implementing the reforms as outlined, along with system partners in education, health and Police services to enable families to access the right support at the earliest opportunity across the partnership. We continue to review and monitor the impact of the multi-agency partnership through the Children's Safeguarding Partnership.
			Childrens Improvement Board (CIB) has met monthly and has monitored progress and impact of the Improvement Plan. Plans	ExDir People	March 2026	The Children's Improvement Board ceased during Q4 2025.

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
Page 49			are in place to conclude the CIB and replace with a partnership aspirations board to continue to oversee development and practice, impact and outcomes on children. Children and young peoples ambitions board will drive forward system improvement plan, evidencing impact from the demand mitigation work.			The Ambitions Board has established a meeting cycle and met twice. These meetings have established key priorities, ways of working and ongoing engagement to ensure alignment across the partnership system to complement the planning and implementation of the reforms.
3.	**Governance Issue:** The Council will be unable to deliver strategic objectives as set out in The Shropshire Plan due to financial constraints.	Inability to Set a Balanced Budget for a given year within the MTFS.	MTFS finalised 27 February 2025 with £7.7m funding gap for 2025/26 (with further demand mitigations of £11m and £41.2m brought forward from 2024/25). For 2025/26 a radical new operating model is being implemented with a senior management restructure the	ExDir S151 Officer	March 2026	Council will receive a balance general fund budget on 26th February 2026 for their approval. The budget is balanced by assuming borrowing of up to £121m in 2026/27 supported by an additional 4% on council tax as agreed

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
Page 50	**Targeted Outcome:** A sustainable financial position is achieved over the medium term.		starting point from January 2025. A new model of delivery through commissioning and Statement of Works should create more focussed delivery clarifying what is and is not commissioned thereby reducing the size, complexity and cost of the authority while also improving governance processes and direct delivery of positive outcomes aligned to a refreshed Shropshire Plan. Delivery Plans and associated Performance Indicators and Milestones to be documented and used to monitor delivery of outcomes. The Council's overall internal control environment has been assessed with only limited assurance and has not improved for six years. Further engagement is required and a review of the Council's risk			with MHCLG in their letter dated 23rd February. This also assumes EFS for 2024/25 of c £24m and c £70m in 2025/26, also now agreed in principle by MHCLG, subject to further financial reviews by an independent advisor. Further detail is awaited. While MTFS projections have been prepared for years beyond 2026/27, the focus of the Council remains very much on the delivery of next year within the budget envelope; any failure to deliver on this will load further EFS demands on the Council through further debt on additional borrowing, the recreation of structural

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
			appetite alongside the Constitution as increased resources is not an affordable option. Management of the Council's financial position is even more crucial than last year, but opportunities through a multiyear settlement in the first year of a new administration exist.			deficits within departmental budgets and continued pressure on limited reserves.
4.	**Governance Issue:** The Council will be unable to contain its costs within the available financial envelope for the year. **Targeted Outcome:** Council expenditure is in line with budgeted position for 2025/26.	Inability to Contain overall committed Expenditure within the Current Available Resources within this Financial Year.	Delivery Plans and associated Performance indicators to be documented and used to monitor delivery of outcomes alongside lessons learnt from 2024/25 Outturn position. Activity for 2025/26 implementing new operating model and Council structure. Monthly review and reporting of the Council's financial position in	ExDir S151 Officer	March 2026	Delivery plans have been unable to achieve in year savings in 2024/25; underlying this was the reliability of ambitious savings plans in the draft budget that were unsupported by detailed associated plans or business cases. At the same time, the Council adopted new management structures without establishing

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
Page 52			line with the MTFS and Financial strategy 2025-2030. Actions and decisions implemented following a review of 2024/25 Outturn position, review of any weaknesses in controls, implementation of lessons learnt from Finance Peer Review (2022) and CIPFA Review (2024). A risk remains about levels of resource across what will be Enabling and Legal and Governance Functional Areas in the coming year, and this will need to be assessed as part of the new operating model and the expectations placed on managers.			clear accountabilities which will have hindered structured activity to deliver on budget objectives. Monthly reporting to Leadership Board and Cabinet has simply acted to confirm the deficit inherited from the base budget and to help support the identification of the needs in future budget planning. As a consequence, preparation of the 2026/27 budget has concentrated on creating a more stable platform from which Service Directors can manage their services effectively, within statutory minimum levels and prepare to modernise their services which will

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
Page 53						be essential in balancing future budgets within resources available The 2026/27 budget has committed resources to reduce structural deficits created by aborted budget savings, demand growth, price pressures and limitations created by financial settlements from government that have failed to cover the full cost of new burdens and actually reduced funding in real terms while continuing to cap Council Tax increases. The budget has also allowed growth to rebuild capacity in areas generating income (e.g. revs and bens) and supporting finance and transformation initiatives (e.g. legal, procurement

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
Page 54						and finance. Provision has also been made within the EFS bid to allow for significant investment in transformation and change with a view to achieving £5m savings in 2026/27 on the base budget. Provision was also made to ensure that fallout from the cancellation of the NWRR could be financed without sending Council reserves into deficit – essentially what would become a s114 position. Preparations now continue to react to the government’s commitment to reimburse the Council with 90% of accumulated deficit, not least the 10% residual

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
Page 55						deficit that will require funding locally. Plans are in place to refresh the budget setting process to enhance accountability for service budgets at both Director and cabinet member level starting in late spring. Enhanced procedures are also in place to ensure that all council projects requiring resources and / or delivering savings provide business cases that are agreed by a senior panel of Council Officers. The Constitution is subject to a fundamental update, not least to enhanced accountability at both officer and member level.

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
5.	**Governance Issue:** The Council, alongside partners, will be unable to ensure the safety and health of people and communities. **Targeted Outcome:** Establishment of robust co-produced Health and Care system to deliver the desired outcomes.	Impact of extreme pressures upon partners (social care, health, and criminal justice).	Continuation of the ICS system working. A further ICP took place in October 2024 with dates and topics in agreement for 2025, aligned to the NHS 10 year plan (3 shifts) and Darzi Report. The CEX has also took up chair of SHIPP. Monitoring closely and mitigation of the impact of the NHS reforms. Further development of Joint Roles planned for 2025. The SoS for Health and Social Care has been invited to STW regarding system pressures.	ExDir Public Health and General Management	March 2026	Partners continue to work together collaboratively however 2025/26 has been a year of considerable change for all partners. In March 2025 the largest NHS Reforms in a generation were announced this included standing down ICPs. Likewise, Police Forces are also expected to go through significant change. Work however jointly has continued in the safeguarding arrangements, community safety, Health and Wellbeing, a new joint role with the DPH has been established. CEXs continues to chair the SHiPP. While the SoS did not visit the CMO did

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	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
						and was updated on local rural issues. Work continues jointly.
6.	**Governance Issue:** The Council has key IT systems that are unfit for purpose. **Targeted Outcome:** IT systems are efficient and effective with strong internal controls.	Failure of Officers and Members to adhere to Governance arrangements.	Financial Planning and Analysis: We are still exploring the feasibility of implementing a financial planning and analysis solution available in our existing ERP system. This would streamline our budgeting and forecasting processes and improve our financial reporting and analysis capabilities. These improvements have collectively enhanced the functionality, integration, and efficiency of our ERP system, ensuring it continues to meet the evolving needs of the council.	ExDir S151 Officer	September 2025	This project will need to be directed through outline business cases giving clear indication of costs and timing of benefits. Fundamental to any work will be a detailed statement of what current processes (designed specifically into IT systems) are optional, desirable or essential. The system is nothing more than a function of what it has been asked to do? This will need to run parallel with the constitutional work and schemes of management / delegation, etc.

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
7.	**Governance Issue:** The Council has weak or inappropriate systems of governance in place. **Targeted Outcome:** All officers and Members understand public sector standards, the Nolan Principles and exhibit appropriate behaviour at all times.	Failure of Officers and Members to adhere to Governance arrangements	Arrangements to address these governance issues were paused due to two key factors: focus on financial survival and implementation of a new operating model. Strong governance comes from setting the right example at the very top of the organisation. The creation of a new senior team enables a root and branch review and allows strong processes to be baked in. Furthermore, a reconfiguration of the entire authority for 2025/26 built on these principles. The internal audit report considering The Shropshire Plan demonstrated that a 'golden thread' was not embedded through the authority and this helps inform the road map for	CEO	December 2025	Following appointment of the interim Chief Executive on 22nd September 2025, regular meetings of the Council's Statutory Officers (Chief Executive, Chief Financial Officer (S151 Officer) and the Monitoring Officer) and other key officers, including the Chief Audit Executive, have commenced. Progression has been made on several key actions and work to strengthen corporate governance. This includes overseeing the implementation of all internal audit recommendations amongst other governance priorities, including compliance with the Code of Corporate Governance and a regular review of the Council's internal control environment and strategic risks.

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
Page 59			the future mitigation of this governance risk. All Internal Audit recommendations are being followed up and the requirement for Declarations of Interest is clear within the Council's Constitution, although design of a system is delayed pending the new operating model coming into place. The new operating model for the council will focus on measuring success and the achievement of intended outcomes during 2025/26. As part of the development of the Leadership Board it is important that good practice elements within this principle are not lost and benefits enhanced to include a new, stronger role for the Internal Audit Team and strong governance embedded			The Council's workforce are pivotal to supporting strong governance and it is a key priority to ensure they are supported to excel. Therefore, over the next 12-18 months work will be focussed on a variety of workstreams including work to reinforce the role of the manager, through the people strategy, and getting the basics right which has a strong focus on strengthening governance and compliance. Actions taken: Senior Leadership Forum collaboration and discussions on their collective role, the role of the manager and governance responsibilities. Additional communications at Leadership Board and to all staff covering FOI and

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
			within the new Members making up the Council following elections in May 2025.			outstanding audit recommendations and good governance. The focus is on improving controls in addition to the implementation of overdue recommendations. All staff email sent 09 October 2025 regarding compliance with the Council's Constitution, policies and procedures. Specific reference was made to financial rules, contract procedure rules and information security policies. An independently chaired improvement board has been established with its first full meeting taking place on 10 November 2025. This is a cross-party board, with an LGA recommended independent chair and will have oversight of the

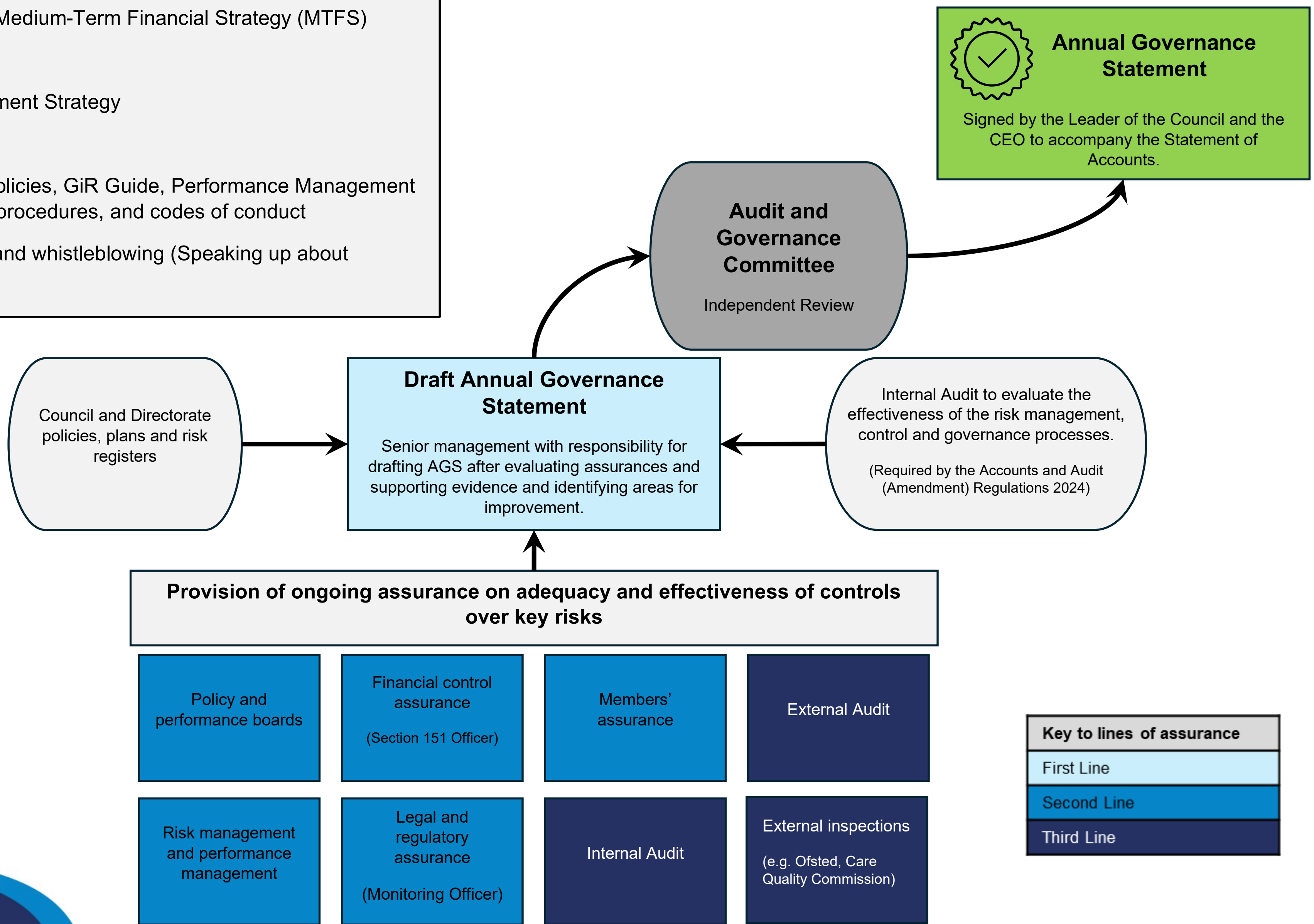
	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
						delivery of the Improvement Plan. A review of strategic risks, with an officer workshop held in November is being closely interlinked with the Improvement Plan and a key area of focus over the next 12-18 months. .
8. Page 61	**Governance Issue:** Failure to deliver best value. **Targeted Outcome:** Securing best value in key areas such as governance, culture, finances and statutory services.	Failure of Officers and Members to adhere to Governance arrangements	The Best Value framework has been reviewed informally ahead of the design of the new operating model for 2025/26. Strong governance comes from setting the right example at the very top of the organisation. The creation of a new senior team enables a root and branch review and allows strong processes to be baked in. Furthermore, a reconfiguration of the entire authority for 2025/26 built on these principles.	CEO	March 2026	Answered in 7

ANNUAL GOVERNANCE STATEMENT (AGS) ASSURANCE FRAMEWORK

	Governance Issue and Targeted Outcome	Strategic Risk	Activity	Sponsor	Completion date	March 2026 Update
			Strategies need revision around the Leadership Board, including the workforce strategy and the development of a more sustainable MTFS following the publication of revised funding and multi-year settlements from Government.			

Key documents and functions/process guidance:

- Local code of corporate governance
- The Shropshire Plan and Medium-Term Financial Strategy (MTFS)
- Council constitution
- Opportunity Risk Management Strategy
- Commissioning Strategy
- Workforce Strategy, HR policies, GiR Guide, Performance Management Framework, PDP Process, procedures, and codes of conduct
- Anti-fraud and corruption and whistleblowing (Speaking up about wrongdoing) policies



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