



### Committee and Date

Audit & Governance Committee

5<sup>th</sup> February 2026

Item

Public



# Adult Social Care Outturn Management Update

**Responsible Officer:** Tanya Miles

**email:** [tanya.miles@shropshire.gov.uk](mailto:tanya.miles@shropshire.gov.uk)  
[mannie.ketley@shropshire.gov.uk](mailto:mannie.ketley@shropshire.gov.uk)

**Cabinet Member (Portfolio Holder):** Roger Evans

## 1. Synopsis

1.1 This report provides a progress update of the actions agreed in response to the recommendations in relation to the Adult Social Care Outturn Audit Review.

## 2. Executive Summary

- 2.1. This report provides an update to the Committee on progress made to date with addressing the issues that contributed to the significant change in financial monitoring positions between period 11 and period 12 during 2024/25.
- 2.2. Internal Audit are planning to undertake a review of the actions undertaken in response to the recommendations in early March 2026.

## 3. Recommendations

- 3.1. Note with appropriate comment the update provided in this report.

# Report

## 4. Risk Assessment and Opportunities Appraisal

- 4.1. Continued collaboration to develop the preparation and monitoring of Adult Social Care budgets is necessary to improve understanding of the roles and responsibilities between budget holders and the Finance team. This clarity will;
  - a) enhance the reliability and accuracy of in year financial monitoring and enable corrective and timely action to be taken, which at outturn (as in 2024/25) is too late to undertake for that financial year.
  - b) Strengthen the understanding of the information between the two teams, including simplification and improvement of the reporting to enable the service to respond to risks and mitigations accordingly.
  - c) Ensure public reporting of the council's financial position is accurate and enables Members and Officers to take any necessary decisions to improve the Council's financial position.
  - d) Prevent the need for unbudgeted use of reserves to mitigate overspends against budgets.
- 4.2. Implementation of the recommendations as set out in Appendix 1 and a continuous review throughout the year will mitigate against a reoccurrence of the 2024/25 outturn issue.

## 5. Financial Implications

- 5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):
  - scaling down initiatives,
  - changing the scope of activities,
  - delaying implementation of agreed plans, or
  - extending delivery timescales.
- 5.2. Current Financial Monitoring reports to Cabinet set out the challenging position of the Council and the pressures on budgets and reserves. Ensuring robust financial monitoring is essential to operating within agreed budgets and taking corrective action where necessary. The implementation of the recommendations arising from the review will support the strengthening of the current financial monitoring process.

## 6. Climate Change Appraisal

6.1. This report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation; or on climate change adaption. However, the work of the Committee will look at these aspects relevant to the governance, risk management and control environment.

## 7. Background

7.1. Year-end Financial Monitoring for 2024/25 resulted in a significant variance compared to period 11 monitoring for the People Directorate, changing from a forecast overspend of £16.1m to £31.2m. The former Chief Executive subsequently requested for a review to be undertaken by Internal Audit to ascertain the reasons and identify mitigations against reoccurrence.

7.2. This review took place during the summer, following which the findings were discussed during September and the final report issued last month. The purpose of this report is to update the Committee on progress made to date with implementation of the recommendations.

7.3. The Audit and Governance Committee received an initial update on the Audit and its recommendations at its meeting on 27<sup>th</sup> November 2025. An update of progress subsequent to that meeting is provided in Appendix 1. The overarching update is as follows:

	Completed	Still in progress	Total
Recommendations with Implementation Date of 31 <sup>st</sup> December 2025	3	1	4
Recommendations with Implementation Date in 2026	0	2	2
<b>Total</b>	<b>3</b>	<b>3</b>	<b>6</b>

7.4. Internal Audit are planning to undertake a review of the actions undertaken in response to the recommendations in early March 2026.

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

Financial Outturn 2024/25 – Council 17<sup>th</sup> July 2025

ASC Outturn Update (Period 13) – Audit & Governance Committee 27<sup>th</sup> November 2025

**Local Member:**

**Appendices**

Appendix 1 – Recommendations and Management Action Plan