



# Budget Consultation 2026/27

## December 2025



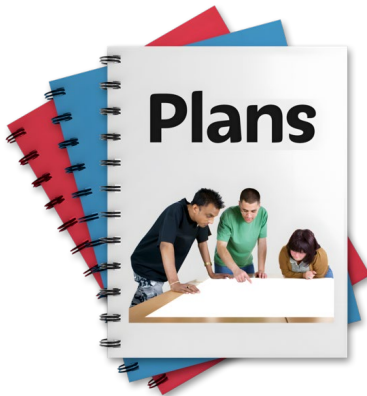
# Our financial challenge



We will spend more money than we have by March 2026. We need to make changes so we can save money and manage our money better in future.



The main reason for spending too much money is the rising costs of important services for adults and children. 36% of the money-saving plans from the past three years have not worked. Partly because we have more people who need support.



We want to save money and be more efficient, but this needs careful planning. This will take some time. We can't do everything straight away.

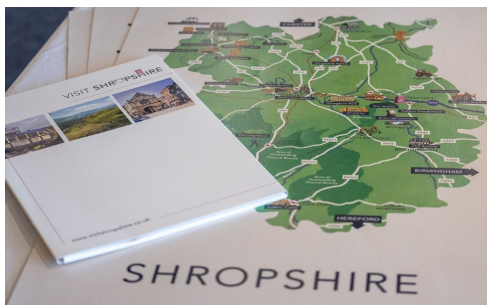


In September 2025, the Cabinet told local people that there is a problem that must be fixed. This means the council needs to be very careful with spending. We want to make sure there is enough money for the most important things.

# Why rural councils like Shropshire pay more to deliver services



Rural councils have higher costs because they cover big areas with people living far apart. This makes it hard to provide services. Less money from the government means councils might need to raise council tax or cut services.



Shropshire is a large area in England, about 1,200 square miles. People live spread out, not in towns. This makes it cost more to provide services like fixing roads and collecting rubbish.



There are over 3,200 miles of roads in Shropshire. These roads connect small communities. Keeping them in good shape costs more than in cities because there are more potholes to fix.



Collecting rubbish costs more in rural areas. Homes are far apart, so fewer homes can be visited each day. For example, the distance between Shrewsbury and Ludlow is like that between Manchester and Sheffield.



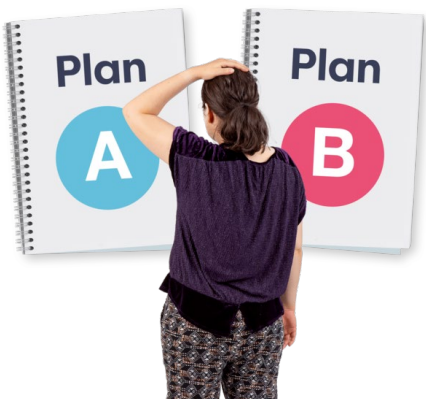
Rural areas need more community buildings like libraries and leisure centres. Staff travel costs are higher because they have to travel longer distances for home visits and inspections.



Public transport and social care cost more in rural areas. There are fewer transport options and care providers, which means higher costs for these services.



Rural areas often miss out on extra money from the government for areas with high levels of need. This is because poverty is spread out here, and not in small neighbourhoods. Shropshire lost about £10 million a year from the Rural Services Grant.



Councils in rural areas face tough choices. They need to find ways to keep providing important services even with less money. This might mean raising council tax or making cuts.

# It's not just because Shropshire is a rural county...



Shropshire is a rural place but there are other reasons why money is tight too.



More people need help from social care, both adults and children. The cases are getting harder, which makes it more expensive to provide the care needed.



We froze council tax from 2010 to 2016 to help people, but this meant we lost money. By 2025/26, we will have £26.1 million less each year than if we had raised council tax slowly.



We saved £158 million in eight years, but 36% of planned savings in the last three years were not met. We spent too much in some areas and used our savings to balance the budget.

# The difference between capital and revenue budgets



Councils have two main budgets: capital and revenue. The revenue budget is for everyday costs. It helps keep services running smoothly in your community. This money comes from council tax and other income.



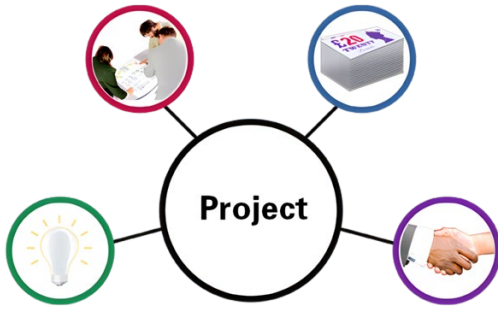
The revenue budget pays for staff wages and services like waste collection, street cleaning and libraries. It also supports leisure centres and helps schools. It is important for keeping everything working well.



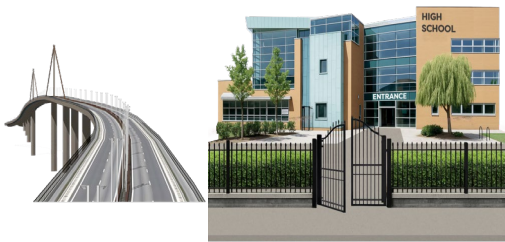
This budget also helps with social care for adults and children. It makes sure people who need extra help get the support they need. This is very important for many families.



The revenue budget also pays for utility bills and building maintenance. This means keeping lights on and buildings safe. It helps make sure everything is in good condition for everyone to use.



The capital budget is money for big projects that last a long time. This money comes from borrowing, selling things, and developer contributions. It cannot be used for everyday costs like paying staff or cleaning streets.



The capital budget is used for building new schools, fixing roads, or buying land. These are big projects that help improve our community. They are like buying a house or car, which are big, one-off purchases.



Revenue budget is for everyday costs like rent or food. It keeps things running smoothly. Councils need enough revenue to provide important services like social care and street cleaning.



Capital funds are ringfenced, meaning they can't be used for other things. This is important because it ensures money is spent on big projects, not everyday costs. Without enough revenue, councils struggle to provide services.

# Council tax and council income

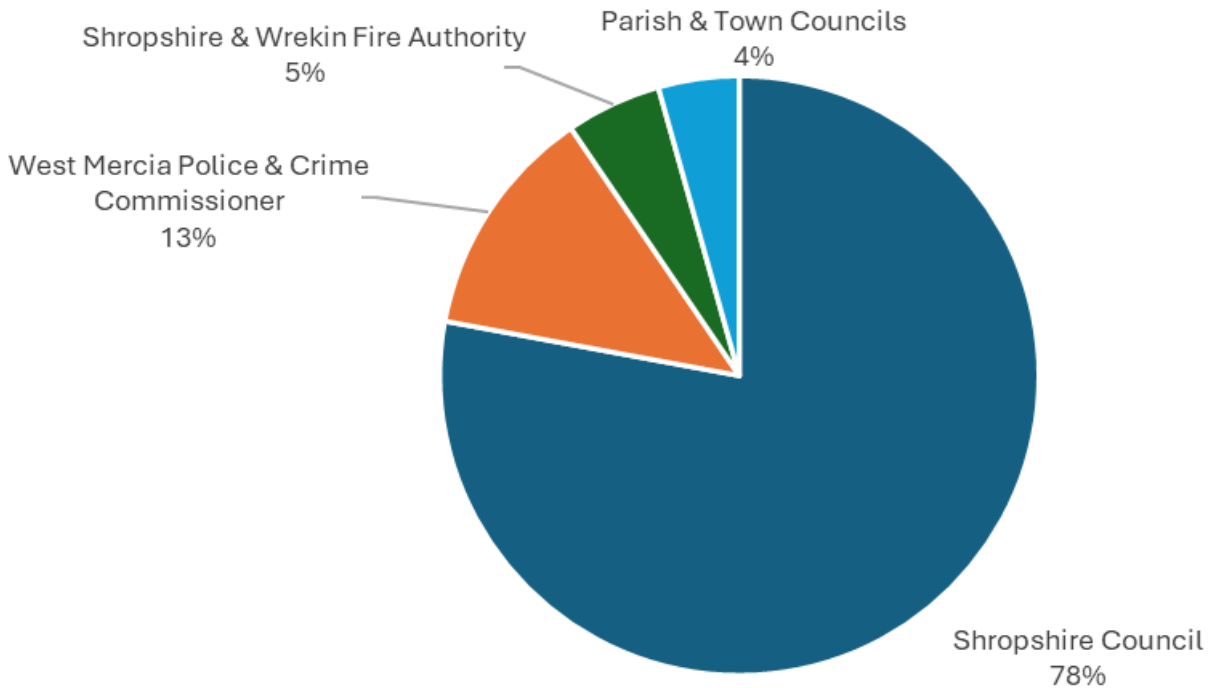
## Council Tax



Council tax is money people pay to help run local services. In 2025/26, this money was used for things like schools, roads, and rubbish collection. It helps make sure the community has what it needs.

The chart below shows what the money is spent on.

Share of Council Tax for 2025/26

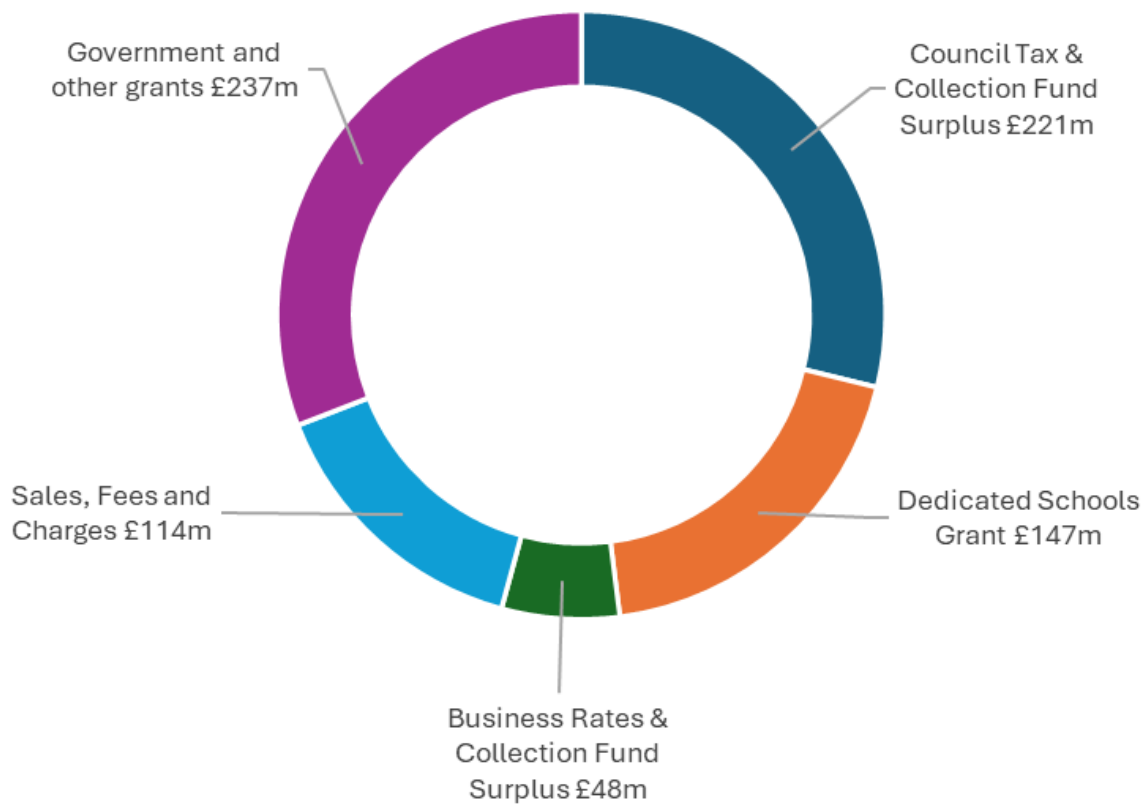


# Council tax and council income

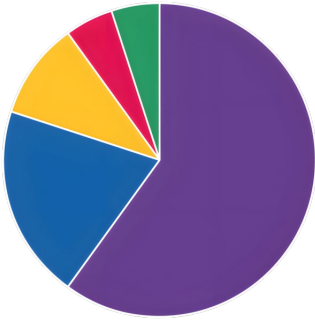


As well as council tax, we have money coming in from other places. The Government provides some money, and we make some money from services we provide.

Sources of Shropshire Council Income in 2025/26

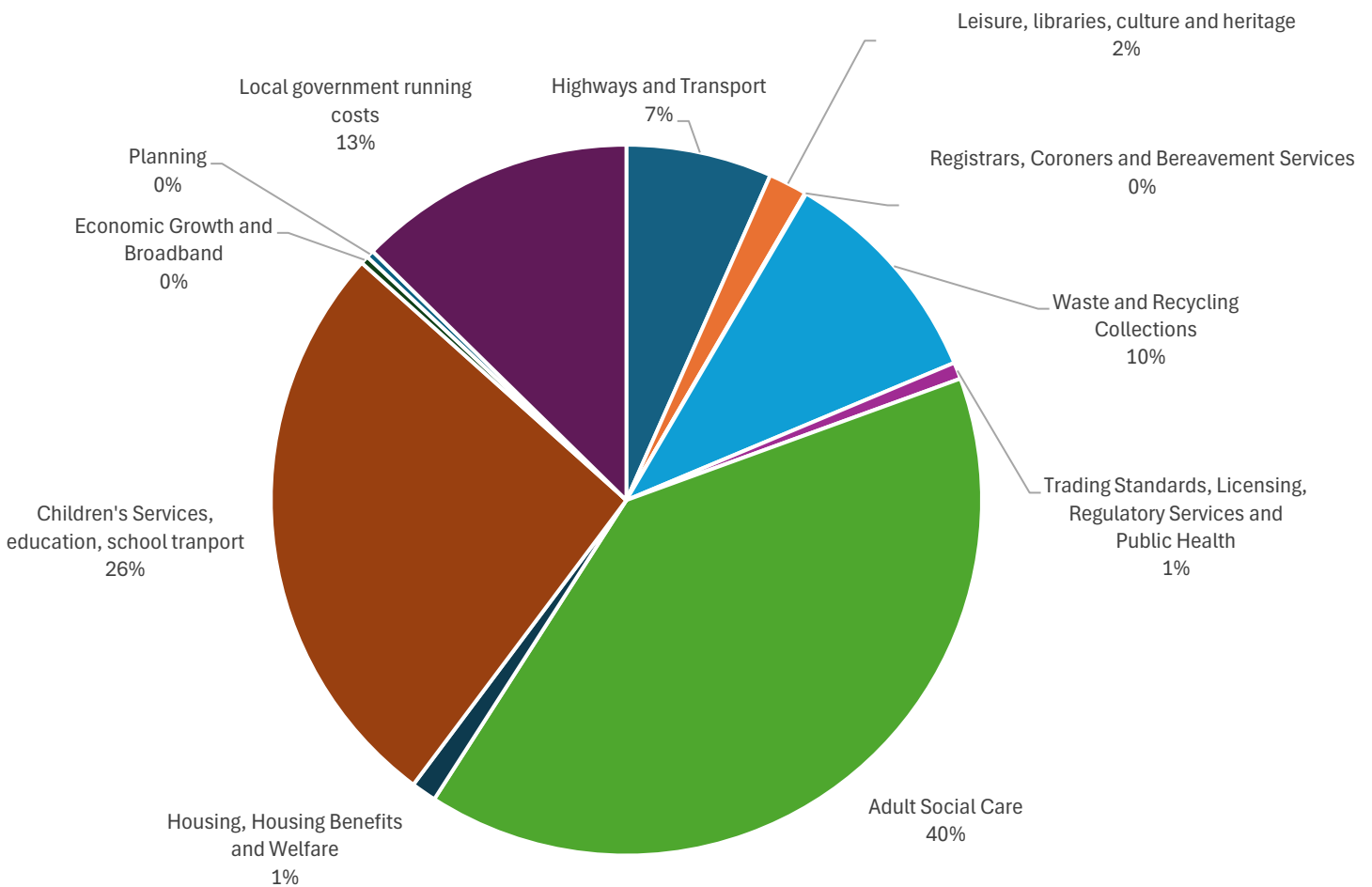


# Council tax and council income



The chart below shows that most of our money goes to social care. This means helping people who need extra support. Smaller amounts of money are used for other services.

Spend by area of service 2025/26



# Our plans to improve and become sustainable



We want to get better and be strong for the future. We need good plans to fix our money problems now. This will help us be a strong council later on.



In September, we said we had a money problem. Since then, we have been working hard to fix it. We are making plans to make sure we have enough money.



We want to make sure we can keep helping people in the future. We are looking at ways to save money and spend it wisely.



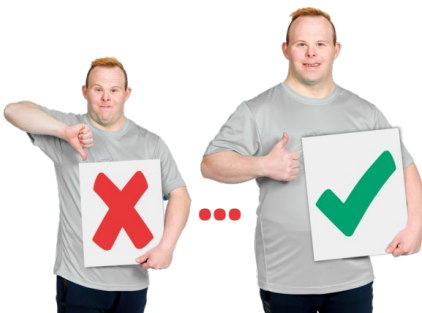
We are working on making our council better and stronger. We want to make sure we can help everyone who needs us.



We have made changes to spend less money. We asked the government to lend us money to keep services going this year and next year. We will only borrow what we need and pay it back later.



We got free help from the Local Government Association in July. We set up a group called the Improvement Board to help us get better. An Independent Chair leads this group.



We want to get better at what we do so we can keep going on our own without needing more money from the government.



We will do this by making a plan. This plan will have steps to follow. It will help us know what to do and when to do it. This way, we can reach our goals.

We have a plan to get better at managing money and helping our workers do well. We want to make sure we know what is most important and fix past problems with money checks.



We will spend money in the right places and try to make more money. This might mean charging more for some things or selling things we own. We will also ask the government for help with money.



We need to make hard choices about how we spend money and organise our services. We will look at our contracts to get the best deals and make sure we use our money wisely.

**Tell us  
what  
you  
think**



You can share your thoughts by filling out the survey



You can email:  
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- Gobowen Library
- Highley Library
- Library at the Lantern
- Ludlow Library
- Market Drayton Library
- Much Wenlock Library
- Oswestry Library
- Pontesbury Library
- Shifnal Library
- Shrewsbury Library
- Wem Library
- Whitchurch Library

## Sources:

Shropshire Council's Council Tax Guide 2025-26

Shropshire Council's Improvement Plan

Auditor's Annual Report 19 11 205

ADASS and Local Government Association – [Adult Social Care Efficiency Programme](#)

Corporate Peer Challenge Position Statement, Shropshire Council  
July 2025

Local Government Association – Are you being served?  
[Benchmarking residents' perceptions of local government.](#)

Local Government Association – [Must Know Capital Expenditure  
A New Direction for Shropshire Council](#)

