

## Shropshire Councillor Report – January 2026

### Shirehall Strategic Review

Following the Council's decision to vacate the building in September 2024, Shirehall now stands as a substantially vacant asset (with final document archives currently being cleared) incurring significant annual costs and presenting both challenges and opportunities for Shropshire Council. A comprehensive options appraisal was conducted, considering a range of scenarios including retention, refurbishment, sale, and redevelopment for various uses. The appraisal was guided by three core objectives: to meet the needs of the local population, to minimise environmental impact, and to maximise public value. The review concluded that the recommended option is to demolish the existing Shirehall building and deliver a mixed-use redevelopment featuring extra care facilities, new GP medical centres, mixed tenure residential accommodation, and commercial space. Outline planning will also keep the option open for a fully residential scheme if a mixed-use plan proves unviable. This approach allows the Council to retain parts of the existing site if viable and market demand exists. This recommendation was accepted at full Council on December 11<sup>th</sup>. This approach offers the greatest alignment with local and national policy, addresses acute local housing and care needs, and supports economic activity within the community delivering both savings and financial returns being an important part of the decision-making process.

### Fair Funding Review

Shropshire Council is extremely disappointed with the government's recent funding decision.

The government's Fair Funding Review was supposed to make funding fairer for councils like Shropshire, but instead it will leave it with less money and make it even harder to provide essential services.

Over the next three years the council is facing a £15m reduction in government funding, with other funding still subject to review. This funding shortfall will make it much more difficult for Shropshire Council to deliver the services that matter most to local people. The council will have to make tough choices about what it can afford to provide in the future.

Council Leader, Heather Kidd, responded to the announcement as follows

*"We are down significantly in 2026/27 compared to projections from October, due to the fact that ministers have ignored the higher cost of delivering rural services, removing the remoteness factor from most of our funding. It's clear that rural services will suffer as a result.*

*"What's more, it is clear that ministers expect us to put Council Tax up by the maximum every year to counter this. Sadly, that won't come anywhere close to fixing Shropshire's £50 million deficit, with social care pressures likely to be over £20 million next year alone. We will have to make very difficult decisions as a result and must change our service offer."*

## **Council Budget Consultation 26/27**

Shropshire Council is asking residents, businesses, and visitors to share their views on what is important to them as it plans how and where to spend its money over the next financial year.

The council expects to spend more money than it has coming in by the end of March 2026. This financial pressure is likely to continue into next year and beyond. The main reasons for the projected overspend include:

- The ongoing challenge and rising costs of providing key services, especially for adults and children.
- 36% of savings planned to be delivered in the past three years have not been achieved.
- Rural councils like Shropshire face higher costs because of their size, dispersed population, and the need to maintain extensive infrastructure.
- Lower government funding and the loss of special grants make it harder to provide essential services, forcing councils to rely more on council tax or make difficult cuts.
- The council froze council tax for six years from 2010 to 2016 to help local people. However, this led to a significant drop in income and made the council's finances less sustainable.

The council is committed to finding efficiencies and making savings, but these changes require robust plans and will take time—they cannot be made immediately. Because of this situation, the council's Cabinet declared a financial emergency in September 2025. Since then, the council has:

- Introduced several measures to stop and reduce its spending.
- Asked the Ministry of Housing, Communities and Local Government (MHCLG) to borrow money to help it continue to deliver services until the end of this financial year, and over the following year.
- Received free help and guidance from the Local Government Association (LGA) following a Corporate Peer Review in July.
- Established an Improvement Board to oversee and support its improvement journey, led by an Independent Chair.

While these steps will help stabilise finances, the council is also planning for the future. This includes:

- An Improvement Plan to better manage finances, clarify priorities, and support the workforce.
- A People Plan to address workforce development and organisational culture.
- Getting the basics right, including addressing six years of limited assurance as identified by internal audit and the statutory recommendation from a recent external audit.
- Investing in the right people and places, building capacity where it's needed, and using some of the money borrowed from government to reduce risk and bring in income.

- Increasing income, which could include raising fees and charges, selling council-owned assets, investing in profit-generating activities, and possibly increasing council tax (all yet to be decided).
- Making difficult decisions on spending and service delivery.
- Reviewing contracts to get best value for money.
- Asking the government for financial help and fairer funding calculations.

Each year, the council divides its available budget between different service areas. For 2025/26, a large part of spending went towards supporting children, families, and adults who need social care.

- Social care accounts for about 66% of total spending.
- This means two-thirds of every pound spent goes to helping people who need extra support.
- The remaining budget is shared between other services, such as maintaining roads, collecting waste, running libraries and leisure centres, and supporting local communities

To tell the Council what matters most—so essentials are protected, support is given to those who need it most, and invest is made in a sustainable future for our county:

Complete the Budget Consultation 2026/27 survey [here](#)

- Email: [TellUs@shropshire.gov.uk](mailto:TellUs@shropshire.gov.uk)
- Write to: Tell Us, Feedback and Insight Team, Shropshire Council, PO Box 4826, Shrewsbury SY1 9LJ

### Road closures

None notified