



Committee

Cabinet
14th July 2026

Public

Future of Shirehall

Cabinet Member:	Councillor Heather Kidd, Leader Councillor Roger Evans, Finance	
Lead Director:	Duncan Whitfield / Kassandra Polyzoides	
Service Area:	Finance and Place Shaping	
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Electoral Divisions Affected	All	
Key Decision?	Key	
Cabinet Forward Plan	Yes – 19 th May 2026	
Report considered by	n/a	

1. Purpose of Report

- 1.1. This report makes recommendations on the future use of Shirehall. These recommendations follow receipt of work by a Task and Finish group presented to Council on 26th February 2026. In addition, this report considers updated red book valuations (RBVs) for the site from independent valuers, including the potential costs of recommissioning the site.
- 1.2. The recommendations contained within the report are those of the s151 Officer and the Service Director of Place Shaping, based upon the statutory role of the s151 Officer and the professional advice of the Service Director of Place Shaping from an expert land, property and estate management perspective.
- 1.3. In reaching these recommendations, Officers have taken account of the report of the Task and Finish group on the future of Shirehall, and considered the independent report of Mr Chris Buss Ba CPFA, a highly experienced local government finance professional with extensive expertise in property, regeneration, development and strategic financial management. His report is attached at Appendix B.

2. Recommendations

Cabinet is recommended to:

- 2.1. Note the Financial Sustainability and Recovery Strategy contained within the MTFP reported to Cabinet on 8 July 2026, and especially the priorities in respect of asset disposals during the period of financial recovery;
- 2.2. Note the current valuations (RBVs) for the Shirehall site set out at paragraphs 4.6 and 4.7 and in Table 1;
- 2.3. Agree to take steps to move urgently and in principle to the marketing for sale and disposal of the site with minimum conditions attached;
- 2.4. Delegates authority to the Service Director – Place Shaping, in consultation with the s151 Officer and Monitoring Officer, to take the necessary steps to implement this decision, including preparation of a marketing prospectus for presentation to Cabinet for agreement in the Autumn;
- 2.5. Note that the marketing prospectus will confirm the preference for the site to be utilised for Housing development including both private and affordable, subject to planning consent, whilst achieving the earliest and optimum return to the Council;
- 2.6. Note that the marketing prospectus will refer to the additional preferences identified by Council in December 2025, namely (sic) to pursue the development for mixed use incorporating healthcare, affordable supported living and commercial as well as residential units but these will be guides and not imperatives as part of any proposal;
- 2.7. Note that the marketing prospectus will be published together with evaluation criteria to guide Cabinet in the selection of a preferred developer.

- 2.8. Note that development proposals including sale values will be invited for evaluation by the Director of Place Shaping from any interested party or parties, including joint ventures;
- 2.9. Note that the Council's stated preference, to be set out in the marketing prospectus will be for the selected developer to commit to both obtaining planning consent and demolition or refurbishment of the building as part of the developer's proposal;
- 2.10. Note that a further update report including the draft prospectus for sale will be provided to Cabinet by Officers in the Autumn;
- 2.11. Note that Officers will make all efforts to minimise the current running costs of the Shirehall site while appropriate levels of security and completing the vacation of the building to enable vacant possession of the site;
- 2.12. Note that a separate report on the future options for the Shirehall Overspill car park site will be presented to Cabinet in September 2026; and
- 2.13. Note that any proceeds from the sale will be prioritised to reduce the Council's need for Exceptional Financial Support ('EFS').

3. Background

- 3.1. Since the decision to vacate Shirehall and to relocate staff to the Guildhall, a number of reports have been considered by the Council and by Cabinet regarding the future use of the building and the site (Appendix A).
- 3.2. These reports have variously included agreement to commission Cornovii Development Ltd to prepare a planning application for a housing development on the site, further consideration of a range of alternative options for the future of the site and most recently, the options set out in the report of the Shirehall task and finish group.
- 3.3. The Task and Finish Group recommendations were considered by Council on 26 February 2026 and Council agreed to refer these recommendations to Cabinet for consideration.
- 3.4. Since the original decisions by the Council, the decant of staff from Shirehall to the Guildhall has taken place and decommissioning of the Shirehall is largely complete. During this time and most importantly, the financial position of the Council has deteriorated significantly and Exceptional Financial Support (EFS) from Government has been required to allow the Council to submit a balanced budget for 2026/27. Further EFS support will be required for the foreseeable future.
- 3.5. There is no guarantee that Government will maintain this ongoing financial support without intervention, potentially in the form of commissioners. Capital receipts generated through the sale of redundant assets may be used to reduce Council reliance on EFS and reduce the consequent borrowing costs.
- 3.6. Following the referral of the Task and Finish Group's recommendations to Cabinet, the Section 151 Officer, in consultation with the Service Director for Place Shaping,

commissioned an independent review of the decisions taken to date in relation to Shirehall, including the options previously considered and the work of the Task and Finish Group presented to Council. The independent review provides specialist professional analysis of the financial and property considerations relevant to the project and has therefore been a key factor in informing the advice and recommendations presented to Cabinet

- 3.7. The independent review concluded that whilst regrettable, the options available for the future of Shirehall are necessarily constrained by the Council's financial circumstances. In particular, the urgent need to generate capital receipts, minimise ongoing revenue and capital liabilities, and progress matters at pace are key considerations that must inform Cabinet's decision-making.
- 3.8. In the context of this report, it is noted that MHCLG, in agreeing to EFS, expect the Council to maximise the value from disposals and at an appropriate pace in order to reduce the need for EFS. This must remain a critical consideration in making decisions on the future of all disposable Council assets, at least for the foreseeable future.

4. Summary of Main Proposals

- 4.1. Officers are making a series of recommendations to enable the early disposal through sale to the market of the Shirehall site; separate recommendations are being made with regard to the neighbouring sites including the overspill car park site and adjacent playing fields. It is important to note that Cabinet remains committed to ensuring the current use of the playing fields adjacent to the Shirehall site is retained and will ensure that the conservation area is respected.
- 4.2. The recommendations have been reached having taken full consideration of :
 - all options previously presented to Council and Cabinet since 2022;
 - the work of the Task and Finish Group which was reported to Council in February 2026 and referred to Cabinet for decision;
 - reflection upon the vacation of the building of staff and the residual activity undertaken;
 - the associated costs of the various alternative proposals, which are likely to be significant, especially in connection with the renovation of the building;
 - the lack of any need for future use of the site for Council activity; and
 - the Certificate of Immunity from Listing, which has been extended for a further two years, providing certainty on the building's status through the disposal period and removing listing risk as a constraint on demolition or redevelopment options during that window.
- 4.3. It is recognised that previous decisions regarding Shirehall have been overtaken by events, including the completed relocation of staff to the Guildhall, the wider move to flexible and home working, and the development of more locality-based service delivery across the county. The Council's future accommodation model is now based on a smaller core office presence, supported by community-based hubs and modern working practices, rather than a single consolidated headquarters. This reflects both the Council's operational direction and wider national trends in public

service delivery, including neighbourhood-based services and increased flexibility in the workplace.

4.4. Overridingly, Cabinet has recognised, in other decision reports the financial emergency faced by the Council, and the extent of the measures required to achieve financial recovery over a number of years. On 8 July 2026, Cabinet agreed a Financial Sustainability and Recovery Strategy that included a set of criteria to be applied to the future of all council assets that have no current use or are redundant. These criteria are:

- Any redundant or unused site should be made available at the earliest opportunity;
- By default, any ancillary costs for disposal should be transferred to the buyer, including planning and demolition / refurbishment etc.
- Any deviation from this default must have a clear financial business case or measurable benefit;
- Maximise the capital receipt to be realised from the asset;
- Minimise the period to achieve that receipt;
- Prioritise early capital receipt over longer term receipts or revenue returns;
- Eliminate any capital investment required from the Council;
- Optimise any preparatory or ancillary costs required for disposal;
- Minimise ongoing running costs pending the receipt.

4.5. The red line boundary for the proposed disposal area has previously been agreed by Full Council. It excludes the overspill car park, which is being considered separately for potential future use as a GP surgery, together with the Unison Club, associated sports pitches and bowling green. Lord Hill's Column and its associated area are also excluded from the disposal area. The former tennis courts are included within the land previously declared surplus to requirements.

Red Book Valuations

4.6. Independent RICS Red Book valuations have been commissioned in the normal way to inform the Council's understanding of value across a range of disposal scenarios. For the purposes of this report, disposal includes disposal by way of a joint venture, a development agreement, or a direct disposal to the market. This is a standard part of officer due diligence when the Council is appraising asset rationalisation options.

4.7. The valuations will inform the strategy for the site and, in particular, the treatment of demolition, planning and other ancillary costs, which can materially affect the net receipt depending on the route adopted. This supports the financial criteria set out above: that such costs should by default be transferred to the buyer, with any decision for the Council to undertake works in advance of disposal taken only where a clear financial business case demonstrates a net benefit.

Table 1 - Shirehall – disposal and delivery options: indicative cost and risk to the Council

Option	Cost to Council (3 years)	Council retains	Council gives up	Risk to Council
Retain / do nothing (baseline)	Holding costs only; no transaction cost	Full ownership and control	No receipt; ongoing cost	<ul style="list-style-type: none"> • Lower transaction risk • Carries holding costs indefinitely • No value realised; asset continues to deteriorate
Unconditional sale (as-is)	c. £50k–£150k	Clean exit	All upside and control	<ul style="list-style-type: none"> • Low • Fast, clean break • Lowest receipt — developer nets demolition off the price
Conditional sale	c. £90k–£300k	Overage upside; clean exit at or near planning	Long-term profit share and control	<ul style="list-style-type: none"> • Lower • Main exposures: planning risk during promotion; overage clause must hold • Strongest receipt position of the exit routes
Development agreement	c. £0.5m–£1.5m	Land until delivery; contractual upside and control	Margin to partner; less upside than JV	<ul style="list-style-type: none"> • Lower to medium • Delivery risk sits largely with the partner • Main exposures: partner failure or insolvency; overage clause must hold
JV / land-for-equity	c. £3m–£5m less Council set up costs and any investment	Profit share; long-term overage; placemaking control; equity stake	3+ years of capital and development risk; governance overhead	<ul style="list-style-type: none"> • Higher • Council shares construction, market and sales risk • Land at risk if the scheme underperforms • Governance, audit and tax risk

Note: cost figures are indicative planning ranges (transaction and running cost over a three-year horizon), not quotes, and exclude any cash equity contribution. All options are costed on the basis of internal delivery with consultancy support bought in for specialist inputs (planning promotion, valuation, overage legal and client-side capacity the Council does not currently hold). Ranges would be firmed through a full options appraisal with external financial and legal input.

Residual Use of Shirehall

4.8. Following the completion of the main staff decant to the Guildhall, the Shirehall site has now transitioned into a residual operational phase, with only limited service activity remaining. Earlier phases confirmed that all core council staff and most tenants had vacated the building, with relocation of services embedded in the Council’s financial strategy and operational planning.

- 4.9. At this stage, the remaining presence on site is limited to residual functions associated with decommissioning, including records management, ICT infrastructure, telecommunications equipment, and site management activity. These residual elements are now the critical path to achieving vacant possession. In particular, archives clearance is programmed to mobilise in mid-July, reflecting the final stages of records removal following earlier phased transfers of documents to off-site storage and archives.
- 4.10. In parallel, ICT services remain one of the most significant residual dependencies. The transition of legacy systems to cloud-based infrastructure is expected to take approximately eight weeks and is subject to contractual and connectivity constraints. This reflects the wider position noted through programme governance that ICT, data centre arrangements, and telecommunications infrastructure are central to completing the exit from the site.
- 4.11. Telecommunications masts and associated infrastructure present a specific risk within the residual services profile. These assets cannot be readily decommissioned without relocation, and planning, legal, and operational constraints mean that they continue to represent a critical barrier to full site clearance.
- 4.12. The site itself is now largely vacant but remains operationally active in terms of security and compliance. A managed presence is retained to ensure safety, maintain essential systems, and protect the asset, with ongoing holding costs continuing to accrue. This reflects the transition from an occupied building to a controlled, secure site awaiting disposal.

5. Key Risks and Opportunities

- 5.1. The main risks are limited market interest, lower-than-expected value, planning uncertainty, delay and ongoing holding costs. These will be mitigated through professional marketing, Red Book valuations, clear site information, transparent decision-making and minimising conditions placed on the market.
- 5.2. The Council should avoid taking on unnecessary planning, demolition or refurbishment risk unless there is a clear financial case for doing so.

Risk	Mitigation	Link to Strategic Risk
No buyers	Use professional marketing advice; keep conditions to a minimum; invite a range of market proposals.	Financial sustainability / asset management
Low value	Commission Red Book valuations; test current condition, planning and demolition scenarios before final disposal terms are agreed.	Financial sustainability

Planning	Require the purchaser/developer to secure planning consent; ensure the prospectus states Council preferences without fettering the planning process.	Place shaping / financial sustainability
Demolition	Test demolition and refurbishment assumptions through valuation; avoid upfront Council expenditure unless a clear business case is demonstrated.	Financial sustainability / asset management
Delay in development	Set a clear disposal timetable; use delegated authority to progress at pace; report progress back to Cabinet in October.	Financial sustainability / delivery risk
Lack of Council Funding	Structure disposal so planning, demolition, refurbishment and delivery risk sit with the purchaser/developer where possible.	Financial sustainability / delivery risk
Delay in disposal impacts receipt due to change in market conditions	Residential land values have come under downward pressure due to a marked slowdown in the housing market, with RICS noting weakening buyer demand and confidence driven by rising borrowing costs, geopolitical instability and wider economic uncertainty	Redbook valuation to update receipt forecast to inform potential next steps.

6. Financial Implications

- 6.1. The proposal supports the Council's Financial Sustainability and Recovery Strategy by seeking an early capital receipt from a surplus asset, reducing ongoing holding costs and avoiding further Council capital investment where possible. Shirehall is largely vacated and has no identified future operational requirement. Continued ownership will create ongoing costs for security, utilities, maintenance, insurance and compliance.
- 6.2. The recommended approach is to market the site urgently, with minimum conditions attached, and to test value through Red Book valuations. Sale proceeds would be prioritised to reduce the Council's reliance on Exceptional Financial Support. Evaluation criteria will be established alongside the sales prospectus.

- 6.3. A joint venture (JV) has been considered as a potential route for bringing the site forward. It should be noted that subject to the nature of the joint venture, the preliminary cost of establishing and operating a JV for the Shirehall site may be estimated to be in the region of around £4.5m, before any construction, finance or development costs.
- 6.4. While any market disposal will preclude no viable proposals, there will be significant council costs to be set off against any joint venture proposed and these will need to be applied to any such proposal.

7. Legal and HR implications

- 7.1. The Council must ensure any disposal complies with its statutory powers, Constitution and financial procedure rules. The disposal should secure best consideration reasonably obtainable, supported by appropriate valuation and legal advice throughout the process.
- 7.2. Before final disposal, officers should confirm title, boundaries, access, restrictions, occupational interests and the relationship with adjoining land and retained Council assets. Any joint venture or development agreement would require further legal advice on procurement, subsidy control, governance and risk allocation.
- 7.3. The recommendations in this report relate to progressing the marketing of the site and, before any disposal is completed, further consideration of the proposed terms and financial details will be undertaken in line with the Council's Constitution.

8. Climate Change, Biodiversity and Environmental Implications

- 8.1. The environmental implications of the decision before Cabinet relate primarily to the Council's continued ownership of a largely vacant and inefficient former office building. Ongoing holding of the site requires energy, security, maintenance and compliance activity, with associated costs and environmental impacts while the building remains underused and continues to deteriorate.
- 8.2. The recommended approach supports reducing the period during which the Council is responsible for managing these impacts and avoids the Council undertaking speculative demolition, refurbishment or redevelopment works unless there is a clear financial and operational case for doing so. This supports bringing the site back into productive use and reducing the environmental inefficiencies associated with prolonged vacancy.
- 8.3. The marketing prospectus and accompanying evaluation criteria can also invite proposals to demonstrate how climate change, biodiversity and wider environmental implications have been considered as part of any proposed redevelopment. This will help ensure these matters are properly considered through the disposal and evaluation process, while remaining consistent with the Council's need to progress the site to market at pace and without imposing unnecessary constraints that could reduce market interest or value.

9. Background Papers

1. See Appendix A

10. Appendices

Appendix A - Recent Formal Council Decisions Regarding Shirehall

Appendix B – Chris Buss Independent Review

Appendix A

Recent Formal Council Decisions Regarding Shirehall

The following formal Council decisions shape the current statutory and strategic context for Shirehall and should be recognised within the independent review:

3.1 February 2022 – Declaration of Surplus Asset and Delegated Authority

Council resolved to:

- Declare the Shirehall building and associated environs surplus to requirements;
- Delegate authority to the Executive Director of Place, in consultation with the Portfolio Holder for Physical Infrastructure, to agree and implement the disposal and marketing strategy, subject to Full Council approval.

This established the original mandate for disposal, linked to relocation into a multi-agency hub as part of the Shrewsbury Town Centre redevelopment programme.

3.2 December 2023 – Decommissioning, Planning and Disposal (Exempt Report)

Council approved:

- Commencement of decommissioning;
- Progression of planning (Option 3 – residential redevelopment);
- Completion of disposal following planning and vacation.

Financial commitments included:

- Underwriting £0.746m (up to £0.994m depending on disposal outcome);
- Approval of £1.200m from the Hybrid Working Reserve.

This represents the most definitive mandate regarding disposal and planning.

3.3 February 2024 – Medium Term Financial Strategy

Council agreed to:

- Accelerate disposal of Shirehall;
- Relocate remaining services.

This embedded disposal within the Council's financial planning.

3.4 September 2024 – Updated Disposal Process and Capital Programme

Council:

- Updated the disposal approach following accelerated decanting;
- Confirmed a £7m capital receipt assumption for 2026/27;
- Noted the Certificate of Immunity expiry (September 2026);
- Confirmed Guildhall as the administrative base and approved phased relocation.

3.5 December 2024 – November 2025 - Change in Delegations and Administration

- Delegated authority transferred to the Chief Executive following structural changes.
- Change in administration and portfolio holders following Local Elections May 2025;
- Members indicated potential reconsideration of previous decisions, but no formal decisions were amended.

3.6 December 2025 – Shirehall Strategic Review (Full Council)

Council considered two papers, one public and one in exempt session:

- Considered options including a recommendation to move to a mixed-use redevelopment which was agreed;
- Reaffirmed reliance on the December 2023 decision;
- Highlighted financial and operational risks of retention.
- Formation of a cross-party Task & Finish Group following a debate in closed session around the opportunity to retain the building and the late publication of the paper.

3.7 February 2026 – Task & Finish Group Report (Full Council)

The report:

- Identified alleged gaps in previous appraisal work;
- Proposed alternative options including retention and joint venture models;
- Raised reputational and financial risks;
- Recommended further independent scrutiny.

APPENDIX B

The Chris Buss Review Report