

**SHREWSBURY TOWN COUNCIL
POLICY & RESOURCES COMMITTEE
12 JANUARY 2026**

Officer: Helen Ball (Town Clerk)

SERVICE DEVOLUTION

1. Purpose of Report

To provide Members with an overview of proposals for the Town Council to take on devolved Street Cleaning services — including street sweeping, litter picking and bin collection — from Shropshire Council, the case for and against devolution at this time, and the strategic, financial and operational considerations for implementation by 1 April this year.

2. Background

Shropshire Council is currently facing a severe financial crisis. Latest financial monitoring reports presented to the Cabinet have shown that if no corrective action is taken, the authority is projected to overspend its budget by a substantial margin this financial year, with figures rising to tens of millions of pounds in deficit.

As a result:

- Shropshire Council declared a financial emergency at its Cabinet meeting in September 2025 and is actively implementing spending controls.
- It has sought urgent financial support from Government, including loans to sustain service delivery through March 2026 and to underpin a longer-term transformation plan.
- There remains a real risk that, with the absence of sufficient savings or additional funding, the Council may be required to issue a Section 114 notice — effectively halting non-essential spending and triggering potential government intervention via appointed commissioners.
- Government have announced the settlement for Shropshire Council for 2026/27 which in effect sees a 10% reducing in budget

In this context, Shropshire Council has been engaging with local town and parish councils about greater collaborative working, including service devolution. Shrewsbury Town Council has already signed the Memorandum of Understanding in relation to a more collaborative approach to service delivery and has engaged actively with senior managers to understand the levels of service delivery requirements that could be placed on the Town Council

3. Local Public Engagement

The Town Council has been promoting a public survey on its website seeking residents' views on protecting local services, including Street Cleaning functions. Early responses have indicated strong public interest in maintaining a clean and safe environment, with many respondents have expressed concern about potential service reductions if no alternative arrangements are put in place. Details of the survey will be discussed in greater detail elsewhere on the agenda.

4. Proposed Devolution Programme

Officers have been discussing the devolution of the following key services

- Existing Highways Grounds Maintenance work undertaken by STC
- Existing Culture & Leisure Service Grounds Maintenance work undertaken by STC
- Existing Bereavement Services Grounds Maintenance work undertaken by STC
- Streetscene works undertaken by SC's existing Streetscene contractor – this includes road sweeping, litter picking, litter bin emptying and bin repair & maintenance

Operational staff are working through a schedule of shape files to determine the full nature of service locations working alongside a proposed service specification and a Quality Performance Management System.

Whilst detail on staff numbers and level of service under the QPMS has not been forthcoming, Operations Managers have looked at developing a 7 day a week programme utilising 9 full time operatives. New equipment includes a 15tonne Road Sweeper, a 3.5t Multi-Hog Road Sweeper and 3 Side Loaders working across North, South and Town Centre Teams.

Officers have outlined budget transfer of funds. £1.36 million is to be paid for 2025/26 with this sum reducing to a statutory minimum of 50% within the lifetime of the electoral term. The budget has been drafted to reflect this statutory 50% minimum from 2026/27 to reflect the volatile nature of Shropshire Council's finances as well as the potential to address any additional support/service devolution mid-term.

Further clarification has been sought on the services provided in the rural areas. Whilst there is an appreciation that the residents of Shrewsbury would fund any subsidised services in the town boundary, there is no appetite that there would be a rural subsidy of services.

5. Strategic Risks

Officers have developed a Strategic Risk Register to determine the areas of operational risk in the event of both carrying out new devolved services as well as doing nothing.

5.1 Risks of Taking on Devolved Services

i. Financial Risk

- **Budget and Funding:** The Town Council will need to assess the annual cost of delivering street sweeping, litter picking and bin collections at a consistent standard. These costs are likely to be significant and will likely exceed current precept income unless additional funding is secured.
- **Cost Volatility:** Fuel price fluctuations, equipment maintenance and labour costs could introduce budgetary pressure.

ii. Operational Risk

- **Service Delivery Capacity:** The Council will need to ensure sufficient staff, vehicles and management capacity. Transition plans must account for TUPE obligations and existing staff terms if transferring from Shropshire Council.

iii. Legal & Contractual Risk

- New contracts for waste collection and street cleansing may be needed, with associated procurement and regulatory compliance obligations.

iv. Expectations Management

- Once responsible locally, the Town Council may face heightened public expectations for service levels, potentially beyond what can be sustainably funded.

5.2. Risks of Not Taking on Devolved Services

i. Service Reduction or Cessation

- Shropshire Council's financial position suggests that more cuts or service scaling back are likely if the authority cannot balance its budget or secure long-term funding.
- Essential environmental services, including street cleansing and bin emptying, could be reduced in frequency or stopped entirely, adversely affecting public health, town centre attractiveness, and local economy.

ii. Reputational Risk

- Shropshire Council has intimated a 50% reduction in budget to address the minimal level of standard that is to be achieved. There will be a significant reduction further than existing to address that budget reduction.
- Residents may place the blame for lost services on Shrewsbury Town Council if no proactive alternative is put in place, even though responsibility rests with Shropshire Council's finances.

iii. Strategic Gap

- Not acting could widen the gap between resident expectations and local service provision, weakening community trust and cohesion.

6. Implementation Plan for 1 April

To ensure a smooth transition by 1 April, the following course of action is proposed:

A. Establish a Transition Project Team

- Preferably including Officers from Shropshire Council and Shrewsbury Town Council to help to work collaboratively
- Clear governance and escalation routes.

B. Service Costing & Financial Planning

- Remodelling of service areas in line with existing services
- Identify funding sources (precept, reserves, grants, user charges).

C. Legal & Contractual Workstreams

- Undertake due diligence on existing Shropshire contracts specifications.
- Develop an operational devolution agreement that sets out governance arrangements
- Prepare new procurement processes in line with public contracts regulations.

D. Human Resources & TUPE

- Identify staff affected and commence TUPE consultation early.
- Plan recruitment for any required new posts.

E. Equipment & Infrastructure

- Audit existing vehicles and machinery.
- Determine purchase, lease or service contract options for new vehicles and equipment

- Reviewing the building capacity of current depots.
- Review of IT infrastructure

F. Public Communication Plan

- Clear messaging to residents about service changes, expectations and benefits.

G. Performance & Monitoring Framework

- Agree KPIs for service quality, budget adherence and resident satisfaction.

7. Timetable for Implementation to 1 April

To ensure continuity of service and a smooth transition, a clear and tightly managed timetable is required. The following indicative timetable is proposed:

Early January

- Initial discussions with Shropshire Council Administration and Senior Officers on scope, costs and deliverability of devolved Street Cleaning services.
- Review of public responses to the Town Council's survey on protecting local services.
- High-level financial modelling and risk assessment.
- Member briefings on budget and operational delivery

January

- **Policy & Resources Committee (early January):**
 - Consideration of the devolution proposals, risks and implementation framework.
 - Recommendation of budget provision and delegated authorities.
- **Full Council – 26 January:**
 - Setting of the Town Council's annual budget and precept, including provision for devolved Street Cleaning services and contingency funding for protecting other non-statutory services.
 - Approval of delegated authority arrangements to enable implementation.

February

- **Policy & Resources Committee (February meeting):**
 - Update on negotiations with Shropshire Council.
 - Confirmation of implementation plans, including staffing, procurement and legal agreements.
- Commencement of recruitment processes (including TUPE where applicable).

- Procurement of vehicles, plant and equipment.
- Drafting and negotiation of formal service devolution agreements.

March

- **Policy & Resources Committee & Operations Committee (March meetings):**
 - Final assurance on readiness for service commencement.
 - Confirmation of communications plan and performance monitoring arrangements.
- Completion of staff onboarding and training.
- Finalisation of operational procedures and service schedules.
- Public communications to residents and stakeholders.

1 April

- Formal commencement of devolved Street Cleaning services under Shrewsbury Town Council.

It is proposed that Policy & Resources Committee meets monthly during this period, or receives interim briefings, to ensure Members are kept fully informed and able to provide strategic oversight. The Operations Committee shall be prepared ready for delivery and oversight from April. The Service Delivery Working Group shall be stood down given a more open and democratic process of member and public engagement through the Policy & Resources Committee.

8. Delegated Authority and Governance Arrangements

To meet the 1 April deadline, the pace and complexity of the work required means that additional delegated authority is necessary.

It is recommended that Full Council delegates authority to the Town Clerk, in consultation with the Leader of the Council to:

- Lead and conclude discussions with the Administration & Senior Officers of Shropshire Council.
- Develop and implement the detailed transition and implementation plan.
- Recruit staff and manage TUPE processes where applicable.
- Procure vehicles, plant, equipment and operational contracts.
- Negotiate and enter into the necessary legal agreements to enable service devolution.
- Instruct and obtain specialist legal, HR and procurement advice as required.
- Take all necessary operational decisions to ensure services are live by 1 April.

This approach balances democratic accountability with the need for agility and timely decision-making in a rapidly evolving financial and operational environment.

9. Wider Strategic Considerations – Non-Statutory Services and Section 114 Risk

While the immediate focus is on Street Cleaning services, senior officers and Members must also consider the wider implications of Shropshire Council's financial position.

In the event that Shropshire Council is required to issue a Section 114 notice, there is a significant risk that non-statutory services provided in Shrewsbury could be withdrawn or paused at very short notice. These services may include elements of community support, environmental enhancements, cultural or discretionary services that are valued locally but not protected in law.

During the next financial year, Shrewsbury Town Council may face pressure to act as a provider of last resort to protect key services that support the town's economy, wellbeing and community cohesion.

It is therefore suggested that:

- Officers undertake further work to map non-statutory services currently delivered in Shrewsbury by Shropshire Council.
- The potential impact of service withdrawal is assessed.
- Provision is included within the 2026/27 budget (or earmarked reserves) to allow the Town Council to respond swiftly should interim measures be required to protect priority services that are not part of the current Street Cleaning devolution proposals.

10. Stakeholder Engagement and Collective Approach

Successful service protection and devolution will require collaboration beyond the Town Council alone.

Further structured discussions should be held with:

- Shrewsbury Business Improvement District (BID)
- Local businesses and town centre stakeholders
- Community and voluntary sector partners
- Other town and parish councils where services overlap

The purpose of this engagement will be to:

- Develop a collective understanding of which services are most critical to protect.
- Explore co-funding or partnership delivery models.
- Align expectations around service standards and affordability.

This collective approach will help ensure that limited resources are targeted where they will have the greatest impact.

11. Learning from Other Town Councils

Shrewsbury Town Council is not alone in exploring service devolution in response to upper-tier financial pressures.

Members will be aware that Bridgwater Town Council (Somerset) has already embarked on a similar journey. Prior to Christmas, the Town Clerk of Bridgwater Town Council presented to Shrewsbury Town Councillors, outlining their experience of taking on devolved services, including:

- The importance of strong political leadership and officer capacity.
- Early clarity on funding and service standards.
- The benefits of local control in maintaining service quality despite wider local government financial instability.

This example provides reassurance that, while challenging, service devolution can be successfully implemented where there is clear governance, adequate resourcing and strong partnership working.

12. Organisational Capacity and Back Office Readiness

The proposed devolution of Street Cleaning services represents a significant expansion of the Town Council's operational role in what is currently running with minimal staffing. The leanness of the operations means that we cannot rely any further on staff goodwill as many are working to their maximum potential. To ensure services are delivered safely, effectively and to a high standard, it will be essential to strengthen the Council's back office, management and operational infrastructure alongside frontline service delivery.

Management and Professional Support

- The scale and complexity of devolved services will require additional management capacity, particularly in operational management, contract oversight and performance monitoring.
- Short-term or interim management support may be required during the transition period to ensure continuity and resilience while permanent arrangements are established.

Customer Services and Public Interface

- An increase in public enquiries is anticipated once the Town Council becomes responsible for visible frontline services such as street sweeping, litter picking and bin collections.
- Additional customer service staff capacity may therefore be required to:

- Handle service requests and complaints.
- Provide clear and timely communication to residents and businesses.
- Manage expectations during the early months of service delivery.

Accommodation and Workspace

- The recruitment or transfer of additional staff may create short-term accommodation pressures.
- Officers will need to assess:
 - Temporary or flexible workspace solutions.
 - Longer-term accommodation needs should the operational workforce expand further.

Health & Safety and Compliance

- Taking on operational Street Cleaning services will significantly increase the Council's exposure to health and safety risk.
- A comprehensive review and overhaul of existing health and safety arrangements is currently underway, including:
 - Risk assessments across all operational activities including acting upon any recommendations from audits
 - Method statements, training requirements and supervision arrangements.
 - Review of policies, procedures and incident reporting mechanisms.
 - Staff Welfare of both existing and new staff and Health Surveillance
- This work is critical to ensure compliance with statutory duties and to protect staff, contractors and the public.

Systems, CRM and Reporting

- Current systems will need to be strengthened to support a more operationally focused organisation. This includes:
 - Development of a more rigorous Customer Relationship Management (CRM) system to log, track and respond to service requests.
 - Improved operative reporting processes to capture real-time service delivery data.
 - Clear links between customer enquiries, operational response and performance monitoring.

Operational Bases and Infrastructure

- The expansion of operational teams may require:

- Improvements to existing operational bases.
- Identification of additional or alternative depots to support vehicles, plant, equipment and staff.
- Access to appropriate operational bases will be essential to ensure efficient service delivery, staff welfare and compliance with health and safety requirements.

Financial Implications

- The costs associated with strengthening back office capacity, systems and infrastructure will need to be reflected in the implementation plan and medium-term financial planning.
- Where appropriate, short-term investment may be required to enable long-term service sustainability and risk mitigation.
- The need to develop financial independence from Shropshire Council
- Insurance Cover

13. Conclusion – Due Diligence, Risk and Strategic Leadership

Members have been clear in their request for full due diligence and robust business planning before committing the Town Council to the devolution of Street Cleaning services. Officers fully recognise and share the importance of this approach.

Every reasonable effort is being made to gather detailed financial, operational and performance data relating to the proposed services. However, it must be acknowledged that complete and definitive information is not currently forthcoming from Shropshire Council. This is not unexpected given the scale of the financial challenge it faces, the speed at which decisions are being taken, and the fact that in several areas the future shape of service provision is itself not fully known.

In this context, the proposed devolution is not simply a transfer of existing services on identical terms, but an opportunity — and a necessity — for Shrewsbury Town Council to reshape how services are delivered locally, ensuring they complement, rather than replicate, what remains of Shropshire Council's provision. The emphasis will be on locally responsive, efficient and sustainable service delivery that reflects the needs and priorities of Shrewsbury's residents, businesses and visitors.

As highlighted in the presentation delivered to Members before Christmas by the Town Clerk of Bridgwater Town Council, councils embarking on service devolution rarely do so with perfect information. His message was clear: at a certain point, you have to take the risk. Bridgwater's experience demonstrates that strong governance, clear political leadership and capable officers can successfully manage that risk and deliver positive outcomes for their communities.

This moment represents a generational shift in local government service provision. The traditional assumptions about the role of principal authorities can no longer be relied upon, and town councils are increasingly being called upon to step into spaces previously considered beyond their remit.

Importantly, Shrewsbury Town Council enters this period from a position of strength. There is a high level of public trust and confidence in the Council, its elected Members and its officers. The Town Council has a proven track record of delivery, sound governance, and constructive partnership working. That trust brings both opportunity and responsibility.

While the risks of service devolution are real, the risks of inaction — further service erosion, loss of local control, and damage to the town's environment and reputation — are equally significant, if not more. This report therefore sets out not only a response to immediate financial pressures elsewhere in local government, but a strategic statement of intent: that Shrewsbury Town Council is prepared to lead, to adapt, and to act in the best long-term interests of the town.

14. Recommendations

Members are asked to:

- 1. Note this report**
- 2. Note the financial position of Shropshire Council, including the declaration of a financial emergency, the application to Government for emergency financial support and the ongoing risk of a Section 114 notice, and the potential implications for the continuity of local services in Shrewsbury.**
- 3. Note the outcomes and emerging themes from the public survey hosted on the Shrewsbury Town Council website seeking residents' views on protecting local services.**
- 4. Agree in principle to the devolution of Street Cleaning services, including street sweeping, litter picking and bin collection, from Shropshire Council to Shrewsbury Town Council, subject to satisfactory implementation planning and budget provision.**
- 5. Approve the proposed implementation timetable to enable service commencement by 1 April, including:**
 - **Setting the annual budget and precept at Full Council on 26 January; and**
 - **Monthly updates to the Policy & Resources Committee to maintain Member oversight during the transition period.**
- 6. Delegate authority to the Town Clerk, in consultation with the Leader of the Council:**
 - **Lead negotiations with the Leader and officers of Shropshire Council;**
 - **Develop and implement the detailed service transition plan;**
 - **Recruit staff and manage TUPE processes where applicable;**
 - **Procure vehicles, plant, equipment and operational contracts;**

- **Negotiate and enter into the necessary legal agreements;**
- **Instruct and obtain specialist legal, HR and procurement advice; and**
- **Take all necessary operational decisions to ensure services are in place by 1 April.**

7. Approve the strengthening of organisational capacity, including:

- **Additional management and professional support;**
- **Increased customer services capacity;**
- **Short-term accommodation solutions where required;**
- **An overhaul of health and safety arrangements;**
- **Investment in CRM, reporting systems and operational infrastructure.**

8. Agree that officers undertake further work to:

- **Assess non-statutory services currently delivered in Shrewsbury by Shropshire Council;**
- **Evaluate the potential impact of service withdrawal in the event of a Section 114 notice; and**
- **Identify interim measures the Town Council may need to put in place during the next financial year.**

9. Approve the inclusion of budget provision or earmarked reserves to enable the Town Council to respond swiftly to risks to other priority services not currently included within the Street Cleaning devolution proposals.

10. Support further engagement with key stakeholders, including the Shrewsbury Business Improvement District and other partners, to develop a shared understanding of future service priorities and opportunities for collaborative delivery.

11. Note the experience of other town councils, including Bridgwater Town Council, and agree that learning from comparable authorities continues to inform Shrewsbury Town Council's approach to service devolution.