

Cabinet | 11th February

Item

Public



Town and Parish Councils Asset Transfer Policy and Process

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Cabinet Member (Portfolio Holder):	Councillor Roger Evans Councillor Alex Wagner		

1. Synopsis

The policy enables Shropshire Council to transfer assets to Town and Parish Councils, empowering local decision-making, ensuring community benefit, robust governance, and sustainable management, while supporting council priorities and financial resilience.

2. Executive Summary

Shropshire Council's Town and Parish Council Asset Transfer Policy sets out a clear framework for transferring suitable council-owned assets such as land, buildings, and facilities, to Town and Parish Councils. The policy aims to empower local communities, strengthen decision-making, and ensure sustainable management of public assets. It outlines transparent principles, eligibility criteria, and a structured five-step process, from initial expression of interest through assessment, approval, legal transfer, and appeals. Oversight is provided by an appropriate structure, delegated decision making and an assessment process, with a preference for long-term leasehold transfers and robust support for applicants throughout the process. The policy ensures that asset transfers deliver ongoing community

benefit, align with council priorities, and are underpinned by strong governance and monitoring arrangements.

3. Recommendations

- 3.1. It is recommended that Cabinet approve the Town and Parish Council Asset Transfer Policy, as it provides a transparent and structured framework for transferring suitable council owned assets to Town and Parish councils. (Please see appendix 1 – Town and Parish Council Asset Transfer policy)
- 3.2. Delegate to Head of Property and Development, in consultation with the portfolio holders' for Finance and Communities, to authorise the transfer of land and property, in accordance with the policy as set out in 3.1.

Report

4. Risk Assessment and Opportunities Appraisal

4.1 Capacity and Sustainability Risk: There is a risk that some Town or Parish Councils may lack the necessary, expertise, financial or operational resources to manage transferred assets effectively, potentially leading to associated service decline or asset deterioration.

4.2 Governance and Accountability Risk: If governance arrangements are not robust or consistently applied, there is a risk of inadequate oversight, inconsistent decision-making, or insufficient reporting on asset use and community benefit.

4.3 Community Benefit Risk: Transfers must demonstrate ongoing community benefit. If this is not clearly evidenced or monitored, there is a risk that assets may not deliver the intended value to local residents.

4.4 Strategic Alignment Risk: Assets transferred without clear alignment to council priorities or local plans may undermine broader strategic objectives or result in fragmented service delivery.

4.5 Legal and Compliance Risk: Inadequate legal agreements or unclear terms of reference could expose both the Council and recipient bodies to legal disputes or non-compliance with statutory requirements.

4.6 Preference for Leasehold Risk: The policy's preference for leasehold (typically 99 years) over freehold may deter some councils or create uncertainty, especially where long-term investment is needed. Exceptional freehold transfers require Cabinet approval, which may delay or complicate some transfers.

4.7 Stakeholder Engagement Risk: Insufficient involvement of stakeholders, including local members and service leads, could result in missed issues or lack of local support for transfers.

4.8 Risk Table

Key Risks and Mitigation Strategies

Risk	Mitigation
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Capacity and Sustainability	Require detailed business cases and financial assessments at the application stage; provide pre-application support and guidance; include ongoing monitoring and annual reporting requirements to identify issues early.
Governance and Accountability	Establish a formal Asset Transfer Board with clear terms of reference; ensure monthly reporting to Cabinet; define governance arrangements in legal agreements.
Community Benefit	Mandate clear demonstration of community benefit in applications; ensuring community and stakeholder engagement within the transfer process; set measurable outcomes and require regular reporting on community impact.
Strategic Alignment	Align asset transfer decisions with corporate priorities and local plans; require strategic fit to be evidenced in the application and assessed by the Board.
Legal and Compliance	Use standardised legal agreements and templates; involve legal and policy officers in drafting and review; clarify terms of reference at the EOI stage.
Preference for Leasehold	Clearly communicate the rationale for leasehold preference; provide guidance on exceptions and the process for Cabinet approval of freehold transfers.
Stakeholder Engagement	Require stakeholder consultation as part of the suitability assessment; involve local members and service leads in decision-making.

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. This policy supports Shropshire Council's financial sustainability by enabling the transfer of suitable assets to Town and Parish Councils, thereby reducing the Council's ongoing maintenance, operational, and management costs for land, buildings, and facilities that are no longer strategic to its core services.

- 5.3. By devolving responsibility for these assets, the Council can focus resources on statutory and priority services, while ensuring that transferred assets continue to deliver value for local communities.
- 5.4. The structured process, preference for leasehold arrangements, and robust governance also help safeguard public assets and minimise financial risk, contributing to more efficient use of council funds and long-term budgetary resilience.

6. Climate Change Appraisal

- 6.1. This policy can play a positive role in supporting our climate change strategy, by enabling Town and Parish Councils to take direct responsibility for local assets, allowing them to implement environmentally sustainable practices, draw down funding to support reducing emissions and energy usage, tailored to their communities.

7. Background

- 7.1 The policy aligns with the new administration's priorities and has been developed in collaboration with the Portfolio Holders for both Finance and Communities.
- 7.2 The policy sets out the governance and structure consisting of an Asset Board made up of a small group of officers and members. This is not a formally constituted committee and will only be able to make recommendations to the Head of Property and Development for consideration and the final decision. This is in accordance with the recommendations set out in section 3
- 7.3 The transfer of assets to Town and Parish Councils demonstrates Shropshire Council's commitment to localism and community empowerment, allowing decisions to be made closer to the communities affected.
- 7.4 The approach complements the Community Asset Transfer framework and aligns with the principles of the Localism Act.
- 7.5 Historically, assets were managed centrally, but devolving responsibilities enables more responsive and tailored local management.
- 7.6 Local councils are better placed to reflect community priorities, strengthening local democracy, accountability, and service resilience.
- 7.7 Asset transfers help ensure efficient management, sustained community benefit, and alignment with both local aspirations and the Council's strategic objectives.
- 7.8 Transferring suitable assets enables Shropshire Council to focus on core statutory functions while empowering Town and Parish Councils to innovate, invest, and manage resources for long-term community benefit.

- 7.9 The policy delivers clear eligibility criteria, a preference for leasehold arrangements, and robust governance and monitoring.
- 7.10 It minimises financial and operational risks while maximising community benefit.
- 7.11 Approval of the policy confirms the Council's commitment to localism, responsible stewardship, and continuous improvement that provides long-term value for residents and the organisation.

8. Conclusions

- 8.1. Approval of this policy by Cabinet will enable Shropshire Council to empower local communities, enhance service delivery, and ensure the sustainable management of public assets. The policy provides a transparent, structured framework for asset transfers, with robust governance, clear eligibility criteria, and ongoing monitoring to safeguard community benefit and council interests.
- 8.2. By prioritising leasehold arrangements and supporting applicants throughout the process, the policy minimises financial and operational risks while aligning asset transfers with strategic objectives.
- 8.3. Endorsing this policy demonstrates the Council's commitment to continuous improvement, localism, and responsible stewardship, delivering long-term value for residents and the organisation.

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

Local Member: All

Appendices [Please list the titles of Appendices]

- 1. Town and Parish Council Asset Transfer Policy**
- 2. Process map**