

# Addendum to the Council agenda

13 December 2021

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## **1. Item 5 Petitions & Item 6 Notices Motion**

1.1. There will be no business to consider under these items.

## **2. Item 9 - Proposal to create a South Warwickshire District Council**

2.1. Attached as an addendum is additional information circulated as requested by Councillors. **(Pages 1 and appendices)**

2.2. Also attached are an excerpt of the Cabinet minutes of 9 December 2021.  
**(Pages 1 to 10)**

2.3. Councillors should note that a request to speak has been received on this item from Matt Western MP. The Chairman has agreed to Mr Western MP addressing Council for three minutes.

## **3. Cabinet Report**

3.1 Attached are an excerpt of the Cabinet minutes of 9 December 2021 that sets out the recommendations from Cabinet in respect of the Quarter 2 budget report.  
**(Pages 1 to 13)**

## **4. Appointments**

4.1 To consider the appointment of Councillor Barton to the Finance & Audit Scrutiny Committee and as a substitute for both the Planning and Licensing & Regulatory Committees

4.2 To confirm the appointment of Councillor Barton to the Culture, Leisure and Tourism PAB

## **5. Urgent Item**

5.1. Attached is an urgent report in seeking agreement to a minor change to the constitution to allow remote Council, Cabinet & Committee meetings, if the law is amended to permit these. **(Pages 1 to 3)**

Title: Proposal to create a South Warwickshire District Council  
Lead Officer: Chris Elliott & David Buckland  
Portfolio Holder: Councillor Day  
Wards of the District directly affected: All

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Further to the questions and queries received from members following the publishing of the Proposal to create a South Warwickshire District Council reports which is due to be considered at both Councils on Monday, it has been agreed that the following are shared ahead of the meetings:

- 1. Statistics:**  
Stratford-on-Avon District Electorate 105,448 : Population 132,402  
Warwick District Electorate approx. 109,000 : Population 144,909
- 2. The cost of employing ORS to undertake the consultation** – Around £57,000. The cost is shared equally by both Councils.
- 3. Letters received by ORS during the Consultation** - see attached (Consultation on Proposals to Create a South Warwickshire Council – Submission Letters.pdf)
- 4. Interpretation of the sample set of the Residents' Telephone Survey and Open Questionnaire** – see attached (Proposal to create a SW Council – Interpretation of Sampling.pdf)
- 5. List of Frequently Asked Questions for Councillors** – see attached (Proposals to Create a South Warwickshire Council – Councillor FAQs.pdf)
- 6. Full Consultation Report** – published on both websites – links below:  
[Consultation - South Warwickshire Council Proposal | Stratford-on-Avon District Council Public consultation begins on proposal to create a South Warwickshire Council - Warwick District Council \(warwickdc.gov.uk\)](#)
- 7. Additional Finance Information** – see attached (Merger financial summary v3.pdf) table that consolidates the most recent estimates of the financial case based on the savings to be achieved over the period 2025/26.
- 8. Deloitte and Programme Risk Registers** - Since the work was initially undertaken by Deloitte, the transformation programme has now become more established and has further reviewed the identified risks. It should be noted that any risk assessment is as good as its most recent update. The Programme Risk Register is very much a working document that will be subject to regular review by the programme board and the WDC risk management team. Subsequently additional factors and their mitigating actions could result in the impact scores being affected positively, negatively or neutrally.

## SDC/WDC Proposal - Summary of Key Financial Information referred to in Cabinet report and appendices

This paper seeks to bring together the various costs/savings figures within the main report and accompanying appendices, and how the figures relate to each other. This should be regarded as a reference document to be considered alongside the report. No new figures or calculations have been included.

Ref		SDC £000	WDC £000	Total £000	Joint £000	Total £000	Ref in report	Comments	Comments on savings assumptions and savings to be achieved.
<b>Deloitte's</b>									
1	Service Optimisation	1,827	1,955	3,782		3,782	Deloitte's report		
2	Democratic savings				172	172	Deloitte's report		
3	Management Team				611	611	Deloitte's report	Total saving after 5 years (0.5yr imp, 4.5 yrs savings) estimated at £2.75m.	
4	<b>Total</b>	<b>1,827</b>	<b>1,955</b>	<b>3,782</b>	<b>783</b>	<b>4,565</b>	Deloitte's report		
<b>Deloitte's figures updated</b>									
5	Service Optimisation	1,827	1,955	3,782		3,782	Business Case	From Deloitte's report LGA report, updating Deloitte's figures	
6	Democratic savings				303	303	Business Case	Per new JMT, assuming reduce from from 12 to 10 HoS in 2023 and to 1 CE.	
7	Management Team				560	560	Business Case	Estimate per CEs/S151	
8	HQ				600	600	Business Case	Rounded to £5.3m	
9	<b>Total</b>	<b>1,827</b>	<b>1,955</b>	<b>3,782</b>	<b>1,463</b>	<b>5,245</b>	Para 3.3.3, 8.2.7 and Business Case		
<b>Medium Term Financial Plans</b>									
10	MTFP Shortfall	2,050	7,011	9,061		9,061	Business Case, rounded to £9m	Shortfall as reflected by savings included in MTFP to "balance off" shortfalls	This is the overall estimated financial shortfall that needs to be addressed irrespective of the proposed merger.
11	<b>Service Optimisation savings</b> included in MTFP	1,000	1,260	2,260		2,260	Para 8.2.7	Prudently, not the full estimated savings from service optimisation (Ref 1 and 5) have been included in the MTFPs.	These savings would be greatly reduced without a full merger, with only shared service arrangements.
12	<b>Annual total savings</b> from merger included in MTFP	1,250	2,510	3,760		3,760	App 12, para 2.2 table	Part of overall savings plans for each council. This includes savings from service optimisation (ref 11), Democratic (ref 6), Management Team (ref 7) and HQ (ref 8).	These savings are likely to reduce substantially without a full merger.
13	<b>Other</b> proposed savings being implemented	800	4,501	5,301		5,301	Business Case, rounded to £5m	Row 10 less row 12.	If there is not a formal merger, substantial additional "other" savings would need to be found by both councils if services are to be protected.
<b>One off costs to support Service Integration</b>									
14	Support to Integration				1,500	1,500	App 12 section 5	Para 8.2.7/App 12 section 8	
15	Redundancies				1,500	1,500	App 12 section 6		
16	Terms and Conditions - Pay Protection				1,500	1,500	App 12 section 7		
17	<b>Total</b>				<b>4,500</b>	<b>4,500</b>	<b>App 12, section 8</b>		
18	<b>Savings against 1 off costs</b>						App 12 para 8.2	Profiled savings ref 11 against costs ref 17	

### Value of savings from a full political merger compared to continuing shared services.

The Deloitte and LGA reports highlight that a full constitutional merger is likely to maximise savings. However, it is not possible to accurately assess what the differential in savings from a full merger compared to shared services will be.

As a potential comparison, the two councils that formed East Suffolk District Council had made savings from operating shared services for 8 years. By formally becoming a single council, additional savings estimated at £900k per annum were made.

## **A PROPOSAL TO CREATE A SOUTH WARWICKSHIRE COUNCIL INTERPETING THE SAMPLE SETS OF THE RESIDENTS TELEPHONE SURVEY AND THE OPEN QUESTIONNAIRE**

This note explains the differences in the samples from the questionnaires used for the South Warwickshire Council merger proposal.

The consultation included two survey components - a Residents' Telephone Survey and an Open Questionnaire:

- The Residents' Telephone Survey was designed to be statistically representative of both Districts. It therefore gives a good insight of the views of the population as a whole.
- The Open Questionnaire provided an opportunity for anyone to give their opinions and gives a good insight into the typical concerns that the residents of both Districts have. It is not however statistically representative of the Districts.

### **Residents' Telephone Survey**

- A residents' survey was undertaken to ensure that a representative profile of opinions across Stratford-on-Avon and Warwick Districts was achieved. To capture the views of the general population, 613 residents took part in structured telephone interviews with ORS interviewers during the consultation period. A survey approach was used because, with a population of almost 275,000 residents, it would have been neither practical nor cost-effective to do a postal census of all households or residents. This is normal for this type of consultation.
- The survey used random digit dialling combined with quota-based sampling to ensure that residents who were less likely to engage with the consultation were included and encouraged to give their views about the proposal. Residents were provided with summary information by the interviewer before being asked for their views.
- The extent to which results can be generalised from a sample depends on how well the sample represents the population from which it is drawn, for different types of people may be more or less likely to take part. Such 'response bias' is corrected by statistical weighting based on a comparison of the demographic characteristics of the respondents with data for the whole population.
- In order to better understand how views differ between the two local authorities' areas, equal numbers of interviews were targeted in each District; this was taken into account in the weighting process, to give each district a proportional influence on the overall result relative to the size of its population. The remaining quotas (i.e. those for age, gender and working status) were designed to be representative of the overall population of Stratford-on-Avon and Warwick Districts.
- The achieved sample was compared against secondary data for the District - age and gender, working status, disability and tenure, and subsequently weighted by those criteria.

- As a result of this process, the survey estimates should be broadly representative of the overall population of Stratford-on-Avon and Warwick Districts to within around +/- 5 percentage points at a 95% level of confidence. In other words, 19 times out of 20 (95%) if the whole population was interviewed then the findings would not differ by more than  $\pm$  5 percentage points from the survey estimates.
- Considering the sample sizes, the opinion splits, and the degrees of statistical weightings used (to compensate for different response rates from different demographic groups), the survey findings are accurate enough for reliable conclusions to be drawn about residents' opinions on the Councils' proposal.

### **Open Questionnaire**

The open questionnaire was available for anyone to complete online, and paper versions were readily available on request. The questionnaire could be completed by individuals and on behalf of organisations and, in total, 1,633 responses were received, including 1,602 from individuals and 31 on behalf of organisations.

Open questionnaires are important forms of consultation, in being inclusive and giving people an opportunity to express their views; but they are not random-sample surveys of a given population – so they cannot normally be expected to be representative of the general balance of public opinion. For example, younger people aged under 35 are underrepresented in the responses to the questionnaire, relative to the proportion who live in the two Districts, whilst the elderly are over-represented. Also, the more motivated groups or areas are, they typically are over-represented in the sample compared with others.

Overall the response profile is not necessarily representative of the Warwick and Stratford-on-Avon adult populations, the open questionnaire findings should be considered in this context; nonetheless they are important.

### **In Summary**

In respect of the surveys, the Residents' Survey has been designed to give a representative sample that reflects the makeup of people across the two District populations. Achieving a sample size of around 600 means that we are confident that it reflects the views of residents as a whole. We have used this to gauge the level of support for the merger. The Open Questionnaire was completed by any member of the public and therefore was self-selecting. Whilst it doesn't provide a statistically sound base, it is nevertheless an important source that will help us identify the key concerns that need to be addressed across the programme implementation.

# Proposals to Create a South Warwickshire Council

## Councillor Frequently Asked Questions

Theme:	Question:	Answer:
Climate Emergency	In terms of future development policy how the proposed DPD on carbon will zero housing be treated. Will it be adopted as the policy of any future organisation to guide future planning policy and decision making?	It is proposed that the policies of the Net Zero Carbon DPD will be enhanced and rolled in to the South Warwickshire Local Plan and will be recommended for adoption by the new organisation. If the new South Warwickshire District Council is formed before the adoption of the local plan, the DPD would still apply to the Warwick District area until such time the South Warwickshire Local Plan is adopted.
Consultation	1.7 of the cabinet paper reminds us of the things we set out to do at the beginning of the process. Point 6 of this highlights the need for a communication plan that covers the consultation period but also the implementation programme. In the Programme Implementation plan the communications and consultation phase completes on 21st November 2021. What is the plan to continue to communicate with residents if the programme proceeds?	There is a <a href="#">communications management plan</a> for the programme available to view on the South Warwickshire Together Hub.  Operational communications activity planning is managed by a Communications workgroup who meet fortnightly. They are now planning for the key the messages that will go out both internally and externally following the Council meetings on 13 December, using appropriate channels.
Consultation	In Appendix 8, paragraph 1.18 gives some information on how the weights for the Residents' Survey were calculated, including that there were capped at 5. Please could we also be told what the Effective Sample Size is? The ESS is a measure of how the weights have affected the robustness of the data.	±3.95% would have been the interval without taking effective sample size into consideration (i.e. raw sample of 613); whereas ±4.76% is the slightly larger confidence interval based on an effective sample size of 422.

Theme:	Question:	Answer:
Consultation	Section 3.4 deals with the subject of consultation and 3.4.4 is specific about the inputs from the open questionnaire. How will the input from this part of the consultation be used in shaping the future direction?	<p>Section 4 identifies the issues that have been raised by all of the consultation avenues and by Councillors and either a response is given in the report or further work is planned by way of mitigation. There is a specific recommendation in the report for a Working Group to look at the issues and work through them.</p> <p>As the programme progresses, efforts will be made to mitigate and address issues of concern that were raised during the open consultation, where feasible. Where these are found to be inaccurate or untrue, these will be responded to as part of a myth busting exercise.</p>
Consultation	Tables 6 & 7 in paragraph 3.49 of the same appendix give a summary of the comments for the open-ended questions in the Open Consultation. Please could you give a summary of how the Concerns About the Proposals raised by residents varied in Warwick and Stratford Districts? Adding Warwick & Stratford top breaks to both tables would be even better.	This information has been provided in a separate email.
Consultation	Finally, please could a copy of the data tables for the Residents' Survey be shared with Councillors. I was hoping to see a table for each question on the survey, with simple top breaks, including all of the demographics that were used in the weighting calculations.	This is a lot of data so can we suggest that interested Councillors ask Simon Purfield for a copy. His email is <a href="mailto:simon.purfield@stratford-dc.gov.uk">simon.purfield@stratford-dc.gov.uk</a>

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Consultation	<p>Is it possible please for ORS please to produce a slide comparing the responses to the residents telephone survey of residents aged 34 or less with those aged 65+ to the following two questions:</p> <p>1) overall concerns with the merger, and 2) their ranking of different criteria.</p>	<table border="1" data-bbox="1176 199 2031 655"> <thead> <tr> <th colspan="4" data-bbox="1176 199 2031 256"><b>Residents Survey Criteria</b></th> </tr> <tr> <th colspan="2" data-bbox="1176 256 1603 314"><b>18-34</b></th> <th colspan="2" data-bbox="1603 256 2031 314"><b>65+</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1176 314 1249 371">8.0</td> <td data-bbox="1249 314 1603 371">Sustainability</td> <td data-bbox="1603 314 1677 371">7.9</td> <td data-bbox="1677 314 2031 371">Local Public Services</td> </tr> <tr> <td data-bbox="1176 371 1249 430">7.4</td> <td data-bbox="1249 371 1603 430">Local Public Services</td> <td data-bbox="1603 371 1677 430">7.7</td> <td data-bbox="1677 371 2031 430">Sustainability</td> </tr> <tr> <td data-bbox="1176 430 1249 489">7.4</td> <td data-bbox="1249 430 1603 489">Value for Money</td> <td data-bbox="1603 430 1677 489">7.7</td> <td data-bbox="1677 430 2031 489">Value for Money</td> </tr> <tr> <td data-bbox="1176 489 1249 592">7.1</td> <td data-bbox="1249 489 1603 592">Stronger &amp; Accountable Local Leadership</td> <td data-bbox="1603 489 1677 592">7.5</td> <td data-bbox="1677 489 2031 592">Stronger &amp; Accountable Local Leadership</td> </tr> <tr> <td data-bbox="1176 592 1249 655">6.5</td> <td data-bbox="1249 592 1603 655">Cost Savings</td> <td data-bbox="1603 592 1677 655">7.0</td> <td data-bbox="1677 592 2031 655">Cost Savings</td> </tr> </tbody> </table> <table border="1" data-bbox="1115 715 2031 1088"> <thead> <tr> <th data-bbox="1115 715 1738 906"><b>Proposal to replace Stratford-on-Avon and Warwick District Councils with one new council to provide all district council services across South Warwickshire</b></th> <th data-bbox="1738 715 1890 906"><b>18-34 (93)</b></th> <th data-bbox="1890 715 2031 906"><b>65+ (159)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1115 906 1738 965"><b>Agree</b></td> <td data-bbox="1738 906 1890 965">48.8%</td> <td data-bbox="1890 906 2031 965">59%</td> </tr> <tr> <td data-bbox="1115 965 1738 1024"><b>Neither agree nor disagree</b></td> <td data-bbox="1738 965 1890 1024">16.7%</td> <td data-bbox="1890 965 2031 1024">7%</td> </tr> <tr> <td data-bbox="1115 1024 1738 1088"><b>Disagree</b></td> <td data-bbox="1738 1024 1890 1088">34.5%</td> <td data-bbox="1890 1024 2031 1088">34%</td> </tr> </tbody> </table>	<b>Residents Survey Criteria</b>				<b>18-34</b>		<b>65+</b>		8.0	Sustainability	7.9	Local Public Services	7.4	Local Public Services	7.7	Sustainability	7.4	Value for Money	7.7	Value for Money	7.1	Stronger & Accountable Local Leadership	7.5	Stronger & Accountable Local Leadership	6.5	Cost Savings	7.0	Cost Savings	<b>Proposal to replace Stratford-on-Avon and Warwick District Councils with one new council to provide all district council services across South Warwickshire</b>	<b>18-34 (93)</b>	<b>65+ (159)</b>	<b>Agree</b>	48.8%	59%	<b>Neither agree nor disagree</b>	16.7%	7%	<b>Disagree</b>	34.5%	34%
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Consultation	What's the plan for greater engagement with town/parish councils? How can we be sure that the new SW council will do this?	<p>Section 4 of the report identifies a number of issues which would need to be considered post the merger decision. In addition the recommendations to Cabinet specifically identifies the establishment of a working group from the Council and representatives from WALC and other key parish and town councils in order to undertake a community governance and function review for South Warwickshire.</p> <p>Whilst the details of how the working group will operate have not been determined, if this recommendation is approved then this would be a requirement. The work would be initiated by the present Councils and that would ensure it is done in advance of the new Council.</p>
Consultation	The business case (appendix 10 page 6) gives local support from a university, hospital trust and a tourism organisation that receives income from the districts. Have important local political organisations such as MPs, WMCA and PCC also been consulted? 3.4.5 of the main report says other councils have not objected but WCC's response is more ambiguous. Can responses from all of these people and organisations be shared with councillors?	<p>Of course, these are attached as a separate document.</p> <p>Extracts of the 18 written submissions that were received as part of the consultation have been published within the report from ORS – where we have received their consent to do so.</p>
Consultation	2.6.7-9 In the presentations it was stated in answer to question that a significant majority of the 613 respondents to the random telephone questions were unaware or mostly unaware of the merger proposals. Can this be stated somewhere and if possible quantified?	This is contained within the full report.

Theme:	Question:	Answer:
Consultation	Similarly after presentations, a question was asked and answered about the 82% favouring change of some sort from Councils, given the financial challenges they are facing. This did not however in itself endorse the merger option. It would be helpful to know what other changes were favoured by respondents eg further sharing of services and other savings, Unitary authority, higher charges for some services, higher local taxes etc - and by what District and demographic cohorts.	<p>Please see data tables which have already been shared.</p> <p>The second open question asked (Q10 on Residents Telephone Survey) - Please let us know if there are any alternative options that address the identified challenges, any potential equalities impacts, or if you have any other comments relating to the possible merger of district councils in South Warwickshire. The spreadsheet shows the results by District and demographic cohorts.</p>
Consultation	2.6.10 it would be helpful to disaggregate the responses to Q2 by District and type of responder.	This has been shared in a separate email.
Consultation	<p>2.6.12 it is hard to understand the characterisation of the outcomes of the various exercises as showing 'a good deal of support' for the merger, given that even the random survey of 613 largely uninformed residents were only 57% in favour</p> <p>45% of Warwick District residents were not in favour in the same survey</p> <p>64% of the 1633 responding to the questionnaire were not in favour (57% opposed) within that total</p> <p>70% in Warwick district were not in favour (64% opposed)</p> <p>52% in Stratford district were not in favour (44% opposed)</p> <p>That seems to indicate profound disquiet, even amongst those unaware of the proposals</p>	<p>The conclusion in relation to the level of support is contained within the independent report from ORS, see paragraph 2.40.</p> <p>As stated in the covering report the Government take the view of local support in the round and not as a referendum result. The key facts are that there is a clear majority in the representative sample across both Council areas and overall in support. There is a clear majority of support from organisations. There is clear support from staff.</p> <p>The open questionnaire indicates otherwise but that is the only indicator which does. Given the preponderance of support it is reasonable to make the assumption of local support in the round.</p> <p>It was explained at the briefings to elected members that the representative sample was a statistically reliable measure of public opinion on this issue.</p> <p>It was also explained that the online consultation survey would be an incredibly rich source of information to help form any future Council if the decision was made to merge the two Councils.</p>

Theme:	Question:	Answer:
	<p>before being asked and especially in Warwick District. The case for change is accepted by all groups - but what change is open to doubt.</p> <p>At the very least do we not need to test opinion again <u>after</u> a period of public information and debate - whether by citizen's assembly, survey, referendum or some other mechanism?</p>	<p>The Councils embarked upon an extensive period of consultation and supplied extensive information and used several channels. The Government has advised against use of referenda in this situation and it excludes parish and town councils from participation. We have had focus groups and meetings with parish/town councils and with voluntary groups. Also four resident focus groups were undertaken. The process was approved by Councillors.</p> <p>Councillors have the information upon which to make a decision.</p>
Democratic Representation	<p>Democratic Accountability - 3.3.20 of the report references that a future consultation on engaging with Town and Parish Councils will be done via WALC. What provision will be made for engagement with councils who are not members of WALC but who may wish to be involved.</p> <p>How much resource is it anticipated will be put against this part of the work?</p>	<p>The recommendation refers to other organisations so it offers the possibility that the Community Governance and Function Review can be opened up to include non-members of WALC that would like to be involved.</p> <p>Resource allocation for this work is yet to be decided but would be led by the members working group.</p>
Democratic Representation	<p>There are 3 mentions of a Shadow Council that would be created if both Councils decide to proceed with the merger. Please could you provide some high-level information on its role, make up and what its decision-making process would be? If this is already documented somewhere, please could you point me in its direction.</p>	<p>Question and answer #38 on the South Warwickshire Together Hub references this at a very high level.</p> <p>Experience from elsewhere indicates that the Shadow Council is in fact the two Councils together – so all current Councillors – for particular purposes on issues in the lead up to the new Council coming into operation e.g. setting of first year budget and Council Tax levels etc.</p> <p>Another reference and as an example from a recent merger, please see this document from <a href="#">East Suffolk on the Creation of a Shadow Authority</a>.</p>
Democratic Representation	<p>3.4.6 (page 9) notes the possibility of a democratic deficit and 4.1 the reduction in councillors may be "from a small handful to closer to 20". Going from 80 to 60 councillors</p>	<p>If the merger proposal is agreed the Council will have the opportunity to recommend to government the future size of the new Council ahead of a review by the Local Government Boundary Commission for England. There seems no set rule that is followed,</p>

Theme:	Question:	Answer:
	<p>would be a substantial reduction: can there be any guarantee that this won't happen?</p>	<p>in West Suffolk when St Edmondsbury and Forest Health Councils merged, they reduced from 71 to 64 elected members. In East Suffolk the reduction was from 90 to 55. This issue is considered in section 4 of the report and would be subject to a decision of the shadow Council.</p>
<p>Democratic Representation</p>	<p>2.6.13-16 Clear concerns have been expressed about potential weakening of local democracy. This will now be looked into by a working group. What new powers and functions if any could legally be delegated to towns and parishes to ensure their Neighbourhood plans have proper weight in the decision-making processes? Could planning powers be delegated for example?</p> <p>Again, would it be sounder to test public opinion only after firm revised plans for local delegations of powers have been developed?</p>	<p>As parish and town Councils vary enormously in size, capacity, ambition, and capability there can be no one size fits all. This is what other Councils have found and the example of Cornwall is given at Appendix 9. It is being recommended that a working party be set up to develop a policy which would examine the opportunities, limitations and support necessary to develop greater delegation to parish and town councils.</p> <p>Adopted Neighbourhood Plans already have due weight legally in the planning process. Powers related to determining planning applications need to be carefully assessed legally but there are examples elsewhere in the country that could be used as starting points to explore the art of the possible and also what is not possible.</p> <p>For example, recent guidance issued by the LGA talks about the possibility of arranging for district council services to be delivered by parish councils via a <i>contractual</i> arrangement:-</p> <p><a href="https://www.local.gov.uk/publications/local-service-delivery-and-place-shaping-framework-support-parish-and-town-councils">https://www.local.gov.uk/publications/local-service-delivery-and-place-shaping-framework-support-parish-and-town-councils</a></p>

Theme:	Question:	Answer:
Finance & Risk	<p>Programme Risk Register - whilst it's accepted that there are many personnel (staff and members) on the merger programme, is there still not a major risk that if key personnel are - heaven forbid - lost for whatever reason or cause this would have a significant negative impact on the merger process? Keeping all key personnel up to speed about the progress of the merger will undoubtedly mitigate this risk, but it's not shown in Appendix 6 Programme Risk Register.</p>	<p>PR022 on the risk register identifies this. The mitigation suggested can also be added to the register as part of the existing controls.</p>
Finance & Risk	<p>LGA Financial implications - the biggest monetary saving of the proposed merger arises, as set out in Appendix 5, from a reduction in the number of members across the two existing councils. As the report states this is a matter for the Boundary Commission and beyond the direct control of either WDC or SDC. The Appendix provides a useful comparison with other merged councils. If a comparative analysis could be done on the current and proposed ratios of members: FTE staff, what would it show?</p>	<p>The biggest financial saving is not directly allocated to a reduction in the number of Councillors but should be considered in the round along with elements such as the servicing of one set of committee meetings, external and internal audits, banking fees and corporate subscriptions including ICT for example. Also, irrespective of the number of Councillors there would be a reduction in the number of portfolio holders, Committee Chairs, Leaders and Chairs.</p> <p>It should be noted that East Suffolk estimated a saving of £900k per annum from a political merger after having worked together for 10 years or so.</p> <p>There is no consistency of the 3 recent mergers on electors to Cllrs ratio and given the different starting points for all of the 3 recent mergers there is not a comparative benchmark re staffing.</p>

Theme:	Question:	Answer:
Finance & Risk	<p>Section 1.2 states there will be "a shortfall of around £9m..." Is this an annual (recurrent) shortfall? If not, over what period? LGA report Table 2 Appendix 4 p3 shows total WDC surplus £172k and SDC losses (gap) £5.968m from 20/21 to 25/26. So, is the financial argument stronger for SRC? Financially, could WDC cope without merging? How does this fit with the £9m in section 1.2?</p>	<p>The £9m is the recurring total shortfall of the two Councils by 2025/26 as included in the respective Medium Term Financial Plans when the 2021/22 Budgets were agreed, with savings of £7m (WDC) and £2m (SDC) included in the MTFPs. The figures in Table 2 Appendix 4 p3 reflect the balances after the agreed savings. For SDC, with the savings are more loaded towards the latter years of the MTFP; there is still the need for the Council's General Fund Balance to be used in the short term to make up the gap until the savings have been put into place. This use of the General Fund Balance has been allowed for in projecting the Council's balances forward.</p> <p>The planned savings for both Councils included savings from the proposed merger and various other savings. If the merger does not progress, both Councils would need to seek substantial further savings if services are to be protected whilst setting a future balanced budget.</p>
Finance & Risk	<p>LGA report, appendix 5 page 3 states "The largest area of savings identified was Service Optimisation - £3.782m per annum ongoing", but later adds "There is no breakdown of this and no way of splitting it between the benefits from a merger and the further benefits from becoming one authority, and which therefore are "over and above operational elements such as staff / service integration." "Does this mean that this £3.782m figure includes savings from service integration i.e. not going ahead with the political merger? If so, what is the estimated savings from the political merger?</p>	<p>The £3.782m was from page 23 of the Deloitte report (page 59 of SDC Agenda pack). The savings shown are high level. Much of these savings should be able to be achieved without a formal merger, although the savings should be far more achievable if a new single council is formed. The potential gains should be greater and more realistic with a single council.</p> <p>Members will need to consider whether joint work would be possible if one Council decides not to proceed with the merger. It cannot be automatically assumed that just doing service integration will be acceptable to the other Council hence the recommendation that if the decision is no that another Full Council meeting is held quickly in order to determine the strategic direction of the Council.</p>

Theme:	Question:	Answer:
Finance & Risk	What evidence is there that larger District councils are more efficient/ provide better value for money than smaller District councils?	<p>From observing and discussing the experience of recent district council mergers, we do see evidence of greater efficiencies being created, enabled more dedicated capacity to address challenges within the economy and the community, has greater influence to represent a larger population and a wide range of businesses and community sectors. This is reflected in the experience of the 3 recent mergers of Districts.</p> <p>It will however, require a combined effort from members and officers, from both councils, working together to achieve positive outcomes in South Warwickshire.</p> <p>As with most things there is a limit on the benefits of scale and that becoming too big for example say serving a population of circa 500k or more, has diseconomies. E.g. Birmingham with a population of over 1m.</p>
Finance & Risk	Risks are ranked differently by Deloitte and WDC e.g, Deloitte's puts risk of IT integration at 2, 4, =8 (joint 10th risk out of 16) where as WDC programme risk shows 4, 4 =16 (1st risk out of 23). Who's right? Can we have confidence in these risk assessments?	<p>Since the work was initially undertaken by Deloitte, the transformation programme has now become more established and has further reviewed the identified risks.</p> <p>It should be noted that any risk assessment is as good as its most recent update. The Programme Risk Register is very much a working document that will be subject to regular review by the programme board and the WDC risk management team. Subsequently additional factors and their mitigating actions could result in the impact scores being affected positively, negatively or neutrally.</p>

Theme:	Question:	Answer:
Finance & Risk	<p>Rec 7 &amp; 2.7 What are the costs across each Council now budgeted for planning and implementing the merger and how much of these budgets has already been spent? To include WDC's £1.5m for integrating services, £1.5m for redundancies and £1.5m for pay harmonisation now indicated helpfully in App 12.</p> <p>To what extent will any such savings be offset by increases in pay to staff who may be required to take on greater responsibilities for staff or service areas (broadly indicated for Councillors in App12 but not staff)?</p>	<p>Both Councils agreed £100k each for 21/22, 22/23, and 23/24. The current year funding has been committed in the work agreed to date. It is also referenced in the report that provision is made for £1.5m for integrating services; £1.5m for redundancy costs and £1.5m for pay harmonisation, in total; that is £4.5m provision to be shared between both Councils. The reference to just WDC costs is erroneous WDC's would be only half of these costs and they are one off whereas the proposed savings are ongoing.</p> <p>The pay harmonisation provision is for the time limited cost of pay protection (30 months under agreed policies), for any staff who find their pay grade re-assessed downwards. Any recurring increased costs for staff taking on greater responsibility would need to be met from savings from service integration, with this forming part of the individual Business Cases.</p>
Finance & Risk	<p>1.4 &amp; App12 1.2 and 2.6. Is it correct that a significant proportion of the savings identified by Deloitte and officers, may be delivered without political merger by sharing services, cutting premises costs etc?</p>	<p>The report discusses that, yes, it is reasonable to expect that service integrations could deliver savings. However, this would result in a single workforce reporting to two separate Councils who will not be fully aligned meaning that not all efficiencies can be achieved.</p> <p>The LGA report specifically addresses the issue about the additional savings which can be achieved through a merger rather than sharing services. Their report also contained the following view:</p> <p><i>"The non-financial and non-cashable benefits of a full merger are potentially as significant as or more significant than the financial ones and will also enable financial savings to be maximised."</i></p> <p>It is also the case that it cannot be assumed that in the event that one Council does not agree to the merger and another does not that there would then be an accord to just do operational integration. Hence the recommendation in the report to the need for an emergency Council meeting should that situation arise as the Council will need to set out a different strategic direction for the Council finances.</p>



Theme:	Question:	Answer:
Finance & Risk	<p>Strong indications in the feedback from residents is that they give higher priority to sustainability and to delivery of services and much less priority to 'cost savings'. Should public opinion be further tested in one or both councils? For example, would residents support higher Council taxes for priority and earmarked purposes such as actions on Climate change.</p>	<p>In the opinion of officers there is sufficient information contained within the report from ORS for Members to make a decision in relation to the key issue surrounding the merger proposition.</p> <p>It is also the case that even if the public's view on the priority for cost saving is less than for other issues it does not take away from the fact that the underlying financial issue has to be addressed and that is Councillor's role.</p> <p>It would be appropriate however, to engage with the public in the future when determining spending priorities and issues surrounding Council Tax that though would be considered by the Shadow Council. Of course, Councils are presently limited on Council Tax levels by the Government before a referendum is required.</p>
Finance & Risk	<p>A key related question - is there a risk of the seven year process of harmonising of Stratford Council Tax levels upwards thereby limiting any necessary and desirable tax increases in the WDC area?</p>	<p>There are a series of options as to how the Council Tax levels would be harmonised, examples of which are given within Appendix 8 relating to the financial aspects of the proposal. Councils do not have to take 7 years to achieve harmonisation. West Suffolk which had a bigger gap to bridge proposed 5 years and is going to achieve it sooner. The balance between the increases and frozen levels is a decision that will need to be taken by in the first case the Shadow Council. The Section 151 officer does not advocate a harmonising downward of the Council Tax levels so as to undermine future council tax revenue.</p>
Misc	<p>Merger could be a logical first step to becoming a unitary council; if this is the case, what are possible steps in the process?</p>	<p>To be clear the proposal being considered relates purely to a district council merger, as the report identifies to request local government review from DLUHC is not within the gift of the Council. It is also clear that whilst DLUHC is currently implementing unitary proposals in Cumbria, North Yorkshire and Somerset their priorities are now focussed on the levelling up agenda and county deals and they have stated that this does not mean local government review.</p>

Theme:	Question:	Answer:
		<p>However, if it arises, then the first legal step is that the Government would have to issue an invitation to send proposals for Unitary Councils for any given area. In recent exercises this has required each Council to respond within 8 weeks which is not a long time. The recent examples of reorganisation have taken almost a year from the issue of the invitation (October 2020) to the decision and it will not be till 1st April 2023 that the new Councils come into operation.</p> <p>Reflecting on recent LGR examples, it would be approx. 2.5 to 3 years from invitation to implementation seems to be the benchmark so that could be April 2025 for new unitary council arrangements.</p>
Misc	If the merger doesn't work out, how can councillors or residents seek to revert back to the previous district councils?	If the formal merger is implemented then there would be no mechanism to revert back to a Stratford-on-Avon District Council and Warwick District Council. With shared working there always remains the risk that relationships could sour and end such working as with what happened between West Mercia and Warwickshire Police. The merger proposal removes this risk.
Misc	3.5 The analysis here is accurate as far as it goes. But does it not understate some of the important differences between the Districts, logistically, socially and culturally - Stratford predominantly rural, dispersed and relatively homogeneous, Warwick predominantly urban and diverse, with significant areas of student accommodation and of deprivation? Warwick is more closely tied to Coventry and Birmingham by proximity and transport links than to Stratford, let alone its rural parishes.	<p>It is acknowledged that there are differences in relation to the mainly rural and urban nature of the two Councils. However, the report does identify where there are many similarities.</p> <p>There is significant evidence of cross border travel between the two Council areas. Indeed, there is far more traffic between the two Districts than between Warwick and Birmingham. Travel to Work data backs this up.</p>

Theme:	Question:	Answer:
Services	How will the programme be setting targets for future service delivery to ensure that we are levelling-up rather than levelling down? Does sufficient quality data exist across both Councils to measure this? What measures and reporting will be put in place to ensure that the new council delivers against these targets?	<p>The Programme and more specifically, the Service Integration and Optimisation workstream, will be managing the phased sharing of services initially. The business cases for each of these will set out any service impacts for either or both Council's current services for members to make decision upon where this is significant and not operational.</p> <p>As this is one of the issues raised in Section 4 it will be the subject of the recommendation for a Working Party to consider over the coming year.</p> <p>This work will set the foundations in place for a new council for its future service delivery.</p>
Services	With larger planning authorities, how do they organise planning committee? (e.g. do councillors have to travel further to the meetings, and decide on more remote applications?)	The arrangements for Planning Committees varies from Council to Council. There can be greater frequency, area-based Committees, alternate Committees, greater delegation to officers or a mixture of all of the above. This would be another matter that will need to be worked upon and decided by the Shadow Council.

# Consultation on Proposals to Create a South Warwickshire Council

## Written Submission Letters

### LEAMINGTON SPA TOWN COUNCIL



#### THE TOWN COUNCIL OF ROYAL LEAMINGTON SPA

TOWN HALL, PARADE, ROYAL LEAMINGTON SPA  
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8<sup>th</sup> October 2021

To Warwick District Council  
& Stratford District Council  
Via email - [swconsultation@stratford-dc.gov.uk](mailto:swconsultation@stratford-dc.gov.uk)

#### Consultation – Proposal to create a South Warwickshire Council

Royal Leamington Spa Town Council recently considered the consultation on the 'Proposal to create a South Warwickshire Council'. Please find below its response / comments.

The Town Council:

**Twinned with:**  
**Sceaux**  
**(France)**  
**Heemstede**  
**(Netherlands)**  
**Bruhl**  
**(Germany)**

**Friendship**  
**Links with**  
**Bo**  
**(Sierra Leone)**  
**Leamington**  
**(Canada)**

-recognises the financial and operational challenges being faced by the existing District Councils and the potential implications for service delivery.

-acknowledges that there may be benefits of a new Council operating at a larger (South Warwickshire) scale, but emphasises the need to maintain local dialogue and capacity to engage at the local level, including a local presence of senior staff.

-welcomes the recognition of the importance of engaging with town and parish councils, both in the lead up to any new Council being created and subsequently.

-requests that capacity to deliver events and projects in Leamington Spa is considered carefully and maintained.

-requests that the implications of a potential reduction in the number of District Councillors is considered carefully, including through dialogue with town and parish councils.

-requests that local governance and decision making processes are considered, to support partnership working and engagement of local organisations and communities.

-would welcome further dialogue to explore the opportunities for services to be passed down to the Town Council, subject to adequate funding being made available.

I would be grateful if you could confirm receipt of this response.

Regards,

**STEPHEN MARKS**  
**TOWN CLERK**

## **HARBURY PARISH COUNCIL**

Harbury Parish Council is broadly supportive of the move to merge SDC and WDC. The two regions share a similar demographic and both are characterised by a small number of larger settlements amidst a mainly rural district. Merging the two authorities will encourage a more strategic and holistic approach to policy making.

We can see that there will be efficiency savings to be made and we would urge that all such savings are directed towards maintaining or enhancing the services provided to residents and not towards tax cutting. The budgets will be under a great deal of strain as it is and therefore all energy should be devoted to providing a robust and sustainable number of services.

## **TYSOE PARISH COUNCIL**

At the Parish Council meeting held on October 11<sup>th</sup> 2021, the Council met and considered the Merger of Stratford District Council with Warwick District Council. Their response was as follows:

Following is the response to the proposed merger of Stratford on Avon and Warwick District Councils submitted by Tysoe Parish Council (TPC).

TPC very reluctantly supports the proposed merger but only as a stepping stone to a Unitary Council for South Warwickshire. TPC find the forecast savings of £10m pa non-credible especially at a cost of only £600,000 over three years. It is our view that these savings will not be realised and only by progressing to a Unitary Council will substantial savings be made. TPC is also very concerned by the reduction in number of District Councillors that will be an inevitable consequence of the merger. This will lead to a dilution in the representation that our residents enjoy. TPC also believe that, as a consequence of the merger some services will be delegated to Town and Parish Councils to deliver. These bodies are ill-equipped to carry out such services and by making the Town and Parish Councils service providers they will eventually become politicised; a step that we believe must be avoided.

Our reluctant support of the merger is driven by our belief that a "do nothing" option does not exist. If no action is taken one or both of the District Councils will become insolvent, something that must be avoided.

## **GREAT WOLFORD PARISH COUNCIL**

Great Wolford Parish Council response to the proposal is as follows:

In general, the Parish Council recognises that there are advantages to combining the two Councils to deliver economies of scale and reduce duplicated costs across a wide range of services that they both deliver to their communities. The Parish Council recognises and supports moves that have already been made to work together in such areas as the Local Plan where the combination of effort can, and will, result in reduced costs for each of the councils.

However, the Parish Council finds itself unable to give the full proposal, its full support.

The main reason for this is that the Council Tax in Stratford could well rise to match the levels in Warwick with no discernible improvement in Council Services to Stratford residents. Being a rural parish some distance from the centres of population, we are even less likely to see any improvements in services in our immediate area, even if Council Tax does rise.

The projected savings of up to 3.9% of existing costs after five years seem very small. There is a risk that these savings may not materialise, and the Parish Council also notes that integral to the proposal, the number of District Councillors will be reducing.

**Great Wolford Parish Council – 15 October 2021**

## **NAPTON PARISH COUNCIL**

Napton Parish Council has considered the proposals for a merger of the 2 authorities and would like to make the following comments:-

- NCP can see the sense in trying to combine some services but would want to see satellite provision spread across the District in the form of “one stop shops” or information hubs in some towns and larger villages to ensure the public still has access to information about services.
- NPC would only support the merger if the discretionary services which the process is designed to protect, are maintained in the future.
- NPC is reluctant to take on additional services as we have neither the expertise nor the staff to deliver them.
- There is concern that devolving services to Parish Councils would inevitably result in an increase in the precept which would shift the financial burden of provision from central government onto council tax payers.
- NPC is against the idea of merging Parish Councils as it would result in a loss of local representation.
- In summary NPC is not against the proposed merger provided it results in a better service for the Community as a whole.

## **STRATFORD-UPON-AVON TOWN COUNCIL**

This consultation was discussed at last evening's Town Council meeting and sparked a lengthy debate. The following comments were made:

- The Town Council does support cost saving by sharing jobs and sees merit in sharing services;
- There would be a democratic deficiency if wards were increased, impacting fundamentally on localism which would be lost;
- What additional costs and responsibilities, if any, will be handed down to the town and parish councils?
- One unitary council for the whole area would be far too large and once again, impact on local democracy. However, splitting the area into two with a southern and northern unitary authority may address this imbalance, which would do away with the need for District Councils.
- The Town Council questions why point 6 of the 10 options put forward 'cannot be considered at this time'. This is a statement not an explanation and if consulting, then consultees should be provided with the reasoning behind such a statement – unitary authorities remain 'the elephant in the room'.
- A merger to get a super district on the way to perhaps getting something else (unitary) is not the answer;

It was Proposed, Seconded and unanimously

**RESOLVED:** That the Town Council finds the consultation lacks clarity, is confusing and there is concern over the transparency of its compilation. If the status-quo is not on the table, any merger should safeguard local democracy at its grassroots.



# **KINETON PARISH COUNCIL**

## **A RESPONSE TO THE SOUTH WARWICKSHIRE COUNCIL CONSULTATION MADE BY KINETON PARISH COUNCIL**

sent to:

**Cllr Tony Jefferson – Leader, Stratford District Council**  
**Cllr Andrew Day – Leader, Warwick District Council**  
**David Buckland – Chief Executive, Stratford District Council**  
**Chris Elliott – Chief Executive, Warwick District Council**  
**Cllr Chris Mills – District and County Councillor for Kineton**

Kineton Parish Council (KPC) discussed the proposal to merge the two District Councils at its meeting on the 28<sup>th</sup> September 2021. Consideration was given to submitting a response using the online Consultation process but the questions posed through that methodology offered limited opportunity to express the Council's concern.

**KPC is unable to give unreserved support to the proposals;** the reasons and reservations are outlined below. In summary, there is limited detail available to indicate why the benefits forecast from the existing joint working arrangements (albeit not proven) will be enhanced by a total amalgamation of both District Councils.

### **1. The proposals for merging seem to be silent on the differences and how they could be addressed.**

The recommendation to merge is being presented as a joining of equals with each needing to make a similar level of savings. The need to make significant cost reductions is fully understood but the savings and benefits will fall disproportionately on the individual councils. For example, if Warwick DC's costs are 9% of total Council tax paid compared to 8% for Stratford<sup>1</sup> then WDC's cost base is 12.5% higher. This is further supported by the Band D Council tax charges of £149 for SDC and £177 for WDC<sup>2</sup>; a difference of 18.8%.

Democratically the Councils are mismatched with 110 Town and Parish Councils in SDC but only 35 in WDC. It is unclear how the proposed new District Council would relate to and link with the disparity.

### **2. Insufficient information has been provided on the way in which new development needs will be changed and the impact on local communities.**

KPC was the first Main Rural Centre in SDC area to establish a 'made' Neighbourhood Development Plan. Whilst recognising that a joint South Warwickshire Local Plan is in the early stages of development, KPC is concerned that the policies established by its NDP will be significantly eroded if the merger takes place, and before any Local Plan is formally established.

In relation to planning matters, at a briefing for Parish and Town Councils<sup>3</sup> the CEO of WDC suggested closer working between planning officers and the Parish/Town Councils with the potential for increased decision-making powers for those Councils.

Such powers could be introduced without the merger and therefore the suggestion carries limited weight. Furthermore, there is no detail to explain how the costs of providing the necessary additional skills at local level will be funded and met.

### **3. Reductions to services at a local level have not been adequately addressed**

KPC has reasonable concerns about the potential to reduce local services as a result of any merger and reduction in District Council costs. At a presentation by the 2 District Councils<sup>4</sup> the option for

<sup>1</sup> Detail confirmed in the ORS presentation to Parish and Town Councils 7 October 2021

<sup>2</sup> Detail confirmed in the ORS presentation to Parish and Town Councils 7 October 2021

<sup>3</sup> Presentation by SDC and WDC to WALC members 30 September 2021

<sup>4</sup> Presentation by SDC and WDC to WALC members 30 September 2021

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Parish and Town Councils to take on the delivery of more services was presented as a potential advantage with an assurance that as such devolution would be optional but the level of services at local level would not be reduced if not taken on by local councils. Again, there is no detail to explain which services might be affected in this way or how the costs of providing the necessary additional skills at local level will be funded and met.

As a restatement of the KPC position, we fully understand the urgent need for both District Councils to reduce an imbalance between income and expenditure. We also support the inevitable financial benefits which can be achieved by working together. We are far from convinced that a full merger between the two Councils will achieve all the financial savings forecast without a reduction in benefits and services at a local (Town and Parish Council) level.



## **KENILWORTH TOWN COUNCIL**

Further to discussion at last night's full Town Council meeting, Members have asked that I submit the response below to the Consultation, following the very useful and informative briefing with Chris Elliott earlier this month.

*Kenilworth Town Council welcomes the opportunity to respond to the consultation on the Proposal to Create a South Warwickshire Council. We also welcome the intention that the merger "will ... make our local government more resilient and better able to help local communities tackle challenges such as the climate emergency or a future pandemic, while also continuing to improve our current services by... enhancing local democracy by creating tailored services to support and strengthen the work of parish and town councils."*

*As a Town Council we have benefitted from the support for our work provided by Warwick District Council. However, as the scope of our obligations as a Town Council has expanded in recent years, particularly as a result of the CIL funding following the successful making of our Neighbourhood Plan, the need for ongoing support from District Council officers is likely to increase. We would therefore like to hear more about the new "tailored services" which will "strengthen the work of parish and town councils" as set out in the case for the merger in respect of CIL-funded developments and other areas, and to receive assurances that the current level of support received by Kenilworth Town Council from Warwick District Council will be continued under the new South Warwickshire Council.*

*We also understand that there is an opportunity to consider whether some local services currently provided to Kenilworth by the District Council might be devolved, together with the funding, to Kenilworth Town Council. If the merger is agreed we would want to open a dialogue with both Councils to review the current range of services and look at which, if any, might be suitable for devolution.*

## **BISHOP'S TACHBROOK PARISH COUNCIL**

### **Response to Proposed South Warwickshire Council**

On balance, Bishop's Tachbrook Parish Council ("BTPC") does not support this merger at the councillor level on the basis we believe it will result in reduced local autonomy and democratic representation for our residents. Whilst the financial benefits of the merger are clear, we believe that such synergies could be realised through greater cooperation (and potentially integration) between both councils at the operational level, whilst still remaining separate in terms of democratic representation. It is possible that with specific legal safeguards such concerns could be overcome and we remain open to further discussions on this matter. We hope councillors will reflect on our comments and consider if the long term implications will be in the best interests of their residents within their individual wards.

### **Benefits of the merger**

BTPC accepts the reasoning behind the financial need for closer working together between Stratford District Council and Warwick District Council from both a financial and an efficiency perspective. The benefits of working together are already being borne out in some areas and the forecast cost savings should be applauded.

In addition BTPC accepts that, given notable inflationary pressures, the status quo is unlikely to be sustainable without both efficiency savings and increased funding to councils (either centrally or through increased local taxes on individuals and businesses).

We note the references to further empowerment and dedicated support for parish and town councils and this may be welcomed; however, further detail would need to be provided and safeguards put in place to ensure that anything promised is actually delivered.

Finally, as both councils will have different stand-out specialist officers there is clearly an operational benefit to those specialists being deployed with a wider remit in a leveraged model - this will hopefully deliver a better service for the taxpayer e.g. reducing planning permission lead times.

### **Drawbacks to the merger**

BTPC believes that local representation is critical to the wellbeing and prosperity of an area. This means being able to engage regularly with your local representatives and knowing that they are likely to have sufficient influence within their organisation to raise and act on any concerns brought to their attention.

Bishop's Tachbrook has experienced first-hand the implications of having the decisions for their community made by representatives living on the other side of the District and it is clear that this resulted in some poor planning decisions and a woeful level of investment in infrastructure - reducing the quality of life for residents living here.

BTPC believes that the proposed political merger will reduce the power of residents of the Towns and Parishes throughout both Districts as the voice of their individual ward councillors will be diluted. The proposed South Warwickshire Council will not be a 'local council' and we believe this will lead to a loss of democratic accountability.

Whilst BTPC is very much an apolitical organisation, we would note that Stratford District Council has been under the control of one political party for most of its existence; by contrast Warwick District Council is presently under no overall control. It is important that the decision to merge considers the

political ramifications (both short and long term) and is seen to deliver a result that does not favour any party.

## **Conclusion**

Considering the benefits and drawbacks set out above, BTPC (on balance) cannot support the proposed political merger at this time and would call for both councils to reflect and consider how they achieve the benefits of working together whilst ensuring and enshrining the preservation of local democratic accountability for the coming decades.

## **UNIVERSITY OF WARWICK**

Dear Chris and David,

### **Consultation on Proposed South Warwickshire Council**

Many thanks for the invitation to contribute to the consultation on the merger to form the proposed South Warwickshire Council.

Stratford-on-Avon and Warwick districts are home to many of our staff and students. We have shared the consultation and encouraged them to participate by providing their own views.

The University of Warwick's estates and wide-ranging activities span the length of both districts. Much of our main campus lies in Warwick District and we work closely with partners in Leamington Spa, for example around the Creative Futures incubator in Mill Street. We also support our campus neighbours and local communities through student volunteering and cultural activities such as Kenilworth Arts Festival. Stratford-on-Avon district is home to our Wellesbourne campus, which is building momentum as an investment attractor with major high-technology companies such as Lotus Engineering, Rimac and Corteva already on site – and ambitious aspirations for growth.

We recognise the opportunities and challenges for the districts. Economically, both districts perform extremely well in terms of GVA and are home to a number of innovative firms. There is an extremely strong cultural offer and a high quality of life. Taken together, this presents a strong narrative to celebrate the combined area. The University will continue to support through our research, innovation and skills offers; through business support and encouraging start-ups (particularly focused on existing local clusters and student enterprise); and through our cultural engagement. At the same time, there are opportunities to align further, such as tackling the climate emergency and health and social inequalities – issues which benefit from working in close partnership.

Already, activities such as the Local Plan and Economic Strategy are under joint development, and the University is engaging with both to ensure we play a key part in the future of our local communities. In light of the significant financial challenges facing local councils and the potential for shared activities, we recognise the opportunity to increase your efficiency.

Professor Stuart Croft  
Vice-Chancellor & President  
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[www.warwick.ac.uk](http://www.warwick.ac.uk)

The proposed council would be one of the largest in the country in terms of population and economy and cover many of the cultural strengths of our region. We welcome the councils working closely together to amplify your influence for the benefit of both districts.

We see a unified South Warwickshire as hugely advantageous to the people and communities of the region and to the interests of the University. We are very happy to support the preferred approach to create a new single district council for South Warwickshire.

Yours sincerely,



**Professor Stuart Croft**  
Vice-Chancellor and President

c.c [Tina.Brain@stratford-dc.gov.uk](mailto:Tina.Brain@stratford-dc.gov.uk)

## **THE STRATFORD SOCIETY**

This response is on behalf of the Stratford Society.

They support the premise of this proposition, namely that financial pressures have become so strong that a merger needs to be considered as an essential means to protect and support local services. The pre-eminent responsibility of local government is to deliver those services as well and as fully as possible. And there may well be other benefits, not immediately financial, given the geographical cohesion of the two authorities and their common interest in the business, cultural and tourist economy. South Warwickshire as a unit has a defensible identity and is sound basis for future administrative reform.

However, though the principle is undoubtedly a good one it is not without consequences some of which may prove problematic. Two obvious examples. Will local interests, discrete to individual towns or localities be prejudiced, particularly though not exclusively in the context of planning. Have the Councils looked at how they are to be protected by the administrative and decision making systems they will set up.? And have the financial consequences of a merger been fully researched and explored? There have been too many examples of reform in different areas of public life based on financial assumptions which prove not to be accurate. After all local Government does notoriously suffer from a relatively arcane financial system involving distinct bodies especially central government and associated grant making bodies.

All this leads to the conclusion that though the principle is endorsed it should be pursued only after these and other possible issues have been fully explored so that we can be reassured that the Councils have gone into the merger having thought through all the possible downsides. The consultation gives no indication that they have. Difficult this may be but it is essential in our view and calls into question the set timetable. It seems that a decision to proceed is to be taken in December only after a consultation that closed at the end of October which leaves scant time for this critical exercise to be done.

John Scampion

Deputy Chairman

The Stratford Society

## **STONEWATER**

Stonewater is supportive of the proposal to merge the two councils and understands the rationale. The demographics and geography of both districts are similar enough that this would be sensible. Please consider this to be our formal response to your consultation. (Non-merger information was included in the letter)

## **SOUTH WARWICKSHIRE NHS FOUNDATION TRUST**

Dear Kester Holmes

As CEO of South Warwickshire NHS Foundation Trust, I am writing to you in response to consultation on proposed South Warwickshire Council. Before I do so I would like to express gratitude to Warwick and Stratford Upon Avon District Councils; they are valued partners and we grateful for 50 years' service that they each have provided to NHS, residents, and business.

We recognise that in order to continue to preserve, invest and to ensure a financially sustainable future the decision to explore the principle of Stratford-on-Avon District Council and Warwick District Council to be formally merged. As NHS legislative changes progress through Parliament the Trust in its work in alignment of NHS Organisations into Place based working has benefited from strong engagement and guidance from Warwick and Stratford Upon Avon District Councils acting as one voice. This has given the Trust insight into how a South Warwickshire Council would operate in connecting with and delivering deeper NHS connections within South Warwickshire Place.

For South Warwickshire NHS Foundation Trust this is an important development as in keeping with Coventry and Warwickshire Integrated Care System principle of subsidiarity, the Trust is working on planning assumption that 80% of NHS services will be planned and delivered locally in South Warwickshire by NHS Trusts and Primary Care. The proposal to merge and create a South Warwickshire Council from the Trust perspective demonstrates evidence of a credible geography and aligns with Trust objective of serving our Communities and working collaboratively with partners to improve Health and Wellbeing of our South Warwickshire population. We also see this move as an opportunity for even closer alignment with colleagues at Warwickshire County Council who have also been strong advocates of integration with NHS delivery in our Place based delivery model.

In conclusion we are grateful to Warwick and Stratford District Councils for their service, we recognise the drivers for change and from our experience of working with Warwick and Stratford District Councils acting as one voice in South Warwickshire Place the Trust is supportive of a formal merger.

Chair: Russell Hardy

Chief Executive: Glen Burley

*The Trust is committed to being environmentally friendly, therefore where possible we use 100% recycled paper. This paper has been made using no harmful chemicals in the manufacturing process.*

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Yours sincerely



Glen Burley  
Chief Executive



## **SHAKESPEARE'S ENGLAND**



22 October 2021

Kester Holmes,  
Head of Research Projects,  
Opinion Research Services,  
The Strand,  
Swansea SA1 1AF

Dear Kester,

### **Consultation on Proposed South Warwickshire Council**

Shakespeare's England, the DMO (Destination Management Company) for South Warwickshire is pleased to support the proposal for a South Warwickshire Council. We are probably in a unique position regarding commenting on this as we have to all intents and purposes been working with both Stratford District Council and Warwick District Council as if they were one body since 2011.

Both district councils were heavily involved in the proof-of-concept work that was done to ascertain whether the forming of a DMO, Destination Management Organisation, for South Warwickshire would be a good thing and both became founding members of the DMO and have sat as Business Directors on the Shakespeare's England Board ever since. Helping to jointly steer the South Warwickshire Tourism strategy.

This close collaboration from the District Councils has meant that decisions pertaining to South Warwickshire's visitor economy have been taken with the whole of South Warwickshire in mind, as opposed to one geographical area almost trying to out-do another in attracting visitors. All visitors, be they domestic or international, have a tick list of places they want to visit, things they want to do and see. They are attracted by hero brands, be that Shakespeare, Warwick Castle, Kenilworth Castle, The British Motor Museum. The job of the Destination Management Company is then to build itineraries around these hero brands, clustering products together to encourage guests to stay longer, explore further and spend more. These visitors have no concern for paper boundaries, wards, local authority districts, they just want to have the best possible experience and it makes the job of the DMO far easier if they can, without any qualms suggest product based on the client's needs and not have to be restricted by boundaries on a map.

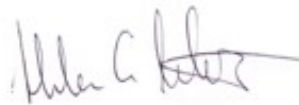
We have been able to achieve this successfully over the last few years and pre pandemic were attracting 10.6m visitors to South Warwickshire, bringing an economic impact to the area of £805m and providing employment for nearly 15,000 people. However, there will always be slightly varying priorities when dealing with two separate authorities, even when there is a close partnership.

Bringing these bodies together will only ever be seen as a positive move by Shakespeare's England especially on the back of the Du Bois DMO Review which recommends the need for cross border cooperation, greater financial support of destination management companies and more focus on what the customer wants, being the major driver, when it comes to product development.

There will be many challenges ahead as we come out of the pandemic, one of which will be showing ourselves as offering a sustainable carbon neutral product, as well as one that is accessible to all. Both of which I know are high on the agendas of SDC and WDC currently. Working together as a single unitary can only make the delivery of these goals more achievable in a shorter time frame.

The Proposed South Warwickshire Council therefore has the complete support of Shakespeare's England and I look forward to working with SWC in the future.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Helen Peters', with a long horizontal flourish extending to the right.

Helen Peters, Chief Executive  
Shakespeare's England Ltd

## **WARWICKSHIRE COUNTY COUNCIL**

11<sup>th</sup> October 2021

Kester Holmes,  
Head of Research Projects,  
Opinion Research Services,  
The Strand,  
Swansea SA1 1AF



Monica Fogarty,  
Chief Executive  
PO Box 9, Shire Hall  
Warwick  
CV34 4RL  
Tel: (01926) 412514  
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[www.warwickshire.gov.uk](http://www.warwickshire.gov.uk)

### **RE: Consultation on Proposed South Warwickshire Council**

Dear Kester,

I am writing in response to the email and letter of 4<sup>th</sup> October, addressed to 'Stakeholder' which I received on behalf of Warwickshire County Council.

I have consulted with the Leader of the Council and the Leaders of the Opposition Parties on Warwickshire County Council in considering how best to respond. As you will be aware, I have no mandate to respond on behalf of politicians and indeed The Leader of The Council, likewise has no such mandate on this matter. Given this position we have encouraged county councillors to respond direct to the consultation survey.

My understanding is that following the close of the consultation, each council will take a decision on 13<sup>th</sup> December. The intention is then to make a submission to the Secretary of State for Levelling Up, Housing and Communities to decide upon the plans for merger. It is my view that such a submission will lead the Secretary of State to trigger a review of local government structures across the whole of Warwickshire. Consequently, I fully expect the Secretary of State to initiate a consultation on local government reform in Warwickshire.

There are clearly different views across our county as to the preferred model of local government. It is also clear that there is wide recognition that the current structures are sub-optimal.

Given this position it would seem to be more appropriate for Warwickshire County Council to engage when the Secretary of State consults with us following Stratford and Warwick's proposals for merger.

Yours sincerely

A handwritten signature in black ink that reads "Monica Fogarty".

Monica Fogarty  
Chief Executive



## **NORTH WARWICKSHIRE BOROUGH COUNCIL**



## **North Warwickshire Borough Council**

The Council House  
South Street  
Atherstone  
North Warwickshire CV9 1DE

**Steve Maxey** BA (Hons) Dip LG Solicitor  
Chief Executive  
**Direct Dial : (01827) 719438**

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Website : [www.northwarks.gov.uk](http://www.northwarks.gov.uk)

Your ref :  
Our ref : PJW

Date : 25 October 2021

Dear Councillor Jefferson and Councillor Day

### **South Warwickshire District Council – Consultation**

North Warwickshire Borough Council is pleased to have been asked to comment on the above consultation. The consultation was considered by this Council's Executive Board on 20 September and authority given to the Chief Executive to respond in consultation with the Leader of the Council and Leader of the Opposition.

Overall, our view is that this is primarily a matter for the elected Members and residents of Warwick and Stratford on Avon Districts. This Council is content therefore with the proposal given it has been approved by Councillors at the respective Councils.

There are some wider issues that North Warwickshire Borough Council would like to comment on, briefly. Firstly, we note that this proposal is seemingly wholly driven by the need to save money rather than as being the governance model of choice. This Council would much prefer Local Government to be funded appropriately so that decisions such as this are not driven by financial necessity. This Council deeply values the roles of District/Borough Councils in representing meaningful places and therefore would not, as a general principle, support larger Council arrangements. We acknowledge however that South Warwickshire is a definable, coherent place based on a number of real-life factors experienced by residents and businesses in this area.

That said we appreciate that within this context Government has made clear that there are a number of measures that Councils may consider and that this proposal is one such. We note that Government advice that such measures do not constitute local government reform, for which there is insufficient appetite within Warwickshire, and that the proposal works hard to ensure the resultant Council will stay close to residents.

There is no reason therefore in practice why this proposal should be regarded as contrary to Government policy, principally the expected measures that will ensure our two tier County can work together and with Government for an exciting, transformative County deal which will help the country 'Level Up' in general but in particular help bring all areas in our County closer

together, given the very marked differences between South Warwickshire and North Warwickshire, Nuneaton and Bedworth and Rugby.

Finally, we would consider it appropriate to consider in detail the risks and exit strategy should Councillors wish to reverse this decision.

To conclude therefore this Council is content to support the proposals, within the context of our keen desire, once the White Paper is published, to work towards a County Levelling Up deal, which works across all tiers of local government and the wider partnership in Warwickshire.

Yours sincerely

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Chief Executive

cc : Cllr D Wright, Cllr Gosling

**NUNEATON & BEDWORTH BOROUGH COUNCIL**



Nuneaton and Bedworth Borough Council  
Town Hall, Coton Road, Nuneaton  
Warwickshire CV11 5AA

[www.nuneatonandbedworth.gov.uk](http://www.nuneatonandbedworth.gov.uk)  
024 7637 6376

**By e-mail**

David Buckland  
Chief Executive  
Stratford District Council

Chris Elliott  
Chief Executive  
Warwick District Council

Enquiries to: Brent Davis

Direct Dial: 024 7637 6347

Direct Email: [brent.davis@nuneatonandbedworth.gov.uk](mailto:brent.davis@nuneatonandbedworth.gov.uk)

Date: 21st October 2021

Our Ref: BD/SWDC Consultation

Dear David and Chris

**Proposed South Warwickshire District Council – Consultation**

Thank you for asking Nuneaton and Bedworth Borough Council to comment on the above consultation. I have discussed the proposed creation of a South Warwickshire District Council with the Leader of the Council. Arising from this our view is that the merits, or otherwise, of forming a South Warwickshire District Council is a matter for the Elected Members and residents of Warwick and Stratford on Avon Districts to decide upon, so long as it is strictly limited to reform at a district council level only. Hence we have no comments to make either in support of or against the proposals.

Yours sincerely,



Brent Davis  
Chief Executive

## **RUGBY BOROUGH COUNCIL**

Dear Sirs

### **Consultation on proposed South Warwickshire Council**

Thank you for your letters dated 8<sup>th</sup> September and 4<sup>th</sup> October and the invitation to comment on the proposals to formally merge Stratford-on-Avon District Council and Warwick District Council.

I note that the financial pressures for both Councils and the impact of Covid has driven the elected members of both councils to pursue this option. For that reason, I consider this is a matter primarily for the elected members and residents of both districts.

I also note both Councils recognise the value of the role district/borough councils undertake at place level, including serving the local population to meet health and wellbeing needs and supporting local economic growth. As Leader of Rugby Borough Council, I feel very strongly about this important responsibility, along with our responsibility to deliver on the Government's levelling up priorities. Therefore, I do not consider the proposals for a South Warwickshire Council to be contrary to supporting this national agenda, nor do I consider the proposals to be a driver for local government reform within Warwickshire.

Overall, I would like to confirm our support for these proposals and also that I look forward to the forthcoming White Paper and working with all tiers of local governments across Warwickshire and our wider partners on a County Levelling Up deal.

Yours faithfully



**Cllr Seb Lowe**  
Leader of Rugby Borough Council

# Cabinet

Excerpt of the public minutes of the meeting held on Thursday 9 December 2021 in the Town Hall, Royal Leamington Spa at 6.00 pm.

**Present:** Councillors Day (Leader), Bartlett, Cooke, Falp, Grainger, Hales, Matecki and Rhead.

**Also Present:** Councillors: Boad (Liberal Democrat Group Observer), Davison, (Green Group Observer), Mangat (Labour Group Observer), Milton (Chair of Overview & Scrutiny Committee) and Nicholls (Chair of Finance & Audit Scrutiny Committee and Labour Group Observer)

## 76. **Declarations of Interest**

There were no declarations of interest made in respect of the Part 1 items.

### **Part 1**

(Items upon which a decision by the Council was required)

## 78. **Proposal to create a South Warwickshire District Council**

The Cabinet considered a report from the Chief Executive which provided evidence to elected Members at Stratford-on-Avon District Council and Warwick District Council in relation to the proposal to create a South Warwickshire District Council. The main purpose of the report was to determine whether both Councils agreed to formally request that the Secretary of State at the Department of Levelling Up, Housing and Communities to create a South Warwickshire District Council.

At the respective Council meetings held in February 2021, both Stratford-on-Avon District Council and Warwick District Council approved the vision to create a South Warwickshire District Council by April 2024.

Implementing this vision required both Councils to formally agree to write to the Secretary of State (SoS) for the Department for Levelling Up, Housing and Communities requesting a merger. This had previously been the process in East Suffolk, West Suffolk and Somerset in the recent past.

If South Warwickshire District Council was formed, this would mean the formal abolition of both Stratford-on-Avon District Council and Warwick District Council, with the formation of a new authority.

In order for the Council to make a submission to the SoS the submission needed to be evaluated against three criteria, in that the proposed merger:

- improve the area's local government;
- command local support, in particular that the merger is proposed by all councils which are to be merged and there is evidence of a good deal of local support; and

- the area is a credible geography, consisting of two or more existing local government areas that are adjacent, and which, if established, would not pose an obstacle to locally-led proposals for authorities to combine to serve their communities better and would facilitate joint working between local authorities.

Since the meetings in February 2021, additional research and evidence was collected to enable both Councils to now consider whether they wished to make a formal submission. The report summarised this additional evidence and demonstrated that the three criteria could be satisfied by such a merger proposition.

Whilst such a merger would significantly assist with meeting the financial challenges facing both authorities, it was not without risk. The report identified a number of areas which would need to be addressed. In some areas, full costings were not possible at this stage. There was also the risk that during the process of service integration there could be an impact on service delivery.

The merger process would provide an opportunity for the new authority to re-evaluate how it provided services and would allow best practice from both authorities to be implemented. It would also provide an opportunity for a conversation with colleagues at parish and town council level to further enhance co-operation and joint working through a community governance and function review.

This was probably the most significant decision that either Council had had to consider since they were established in 1974.

If Councillors determined that it would be in the interest of those served by the respective Councils to merge, a submission document was prepared and was attached as Appendix 10 to the report. In the event of a positive decision to merge, this would be submitted to the SoS before the Christmas break.

In terms of alternative options, ten specific options were considered. It was clear from the analysis of the options that merely sharing some services would not make sufficient financial savings and still leaves considerable duplication.

It was for these reasons that SDC and WDC, therefore, adopted the vision to merge fully.

Ten options were reviewed as potential ways forward for each Council, these were:

- *Option 1 - Do nothing – make no changes to existing Council positions* - under this option the Councils would continue to share a Senior Management Team. This was implemented in August this year, but no further changes would be made. Under this option the Councils would need to hope that the Government would not further reduce funding and hope that costs would not increase. This approach would be extremely risky and highly unlikely. The Government was expected to make significant reductions in funding in coming years, following the impact of the COVID pandemic;

- *Option 2 - Revert to working as two separate Councils* - this option is similar to Option 1 but would actually involve undoing the arrangements that had already been put in place. These arrangements were expected to save over £200,000 in the current year and would increase to over £400,000 per year by 2023/24. Therefore, on top of all of the challenges described in Option 1, further savings of £400,000 per year would need to be identified to support both Council's budgets. If both Councils were required to reduce costs in isolation, the scale of the reductions would be significant. Discretionary services which our public enjoyed such as leisure centres, CCTV, toilets, parks, and open spaces would be most affected. We were not allowed to cease statutory services such as planning, environmental health, and licensing though even they could be affected;
- *Option 3 - Expand partnership working to work with other partner Councils* - there were tangible links which already existed between the communities of Stratford-on-Avon and Warwick. If at this stage other partners were approached, such strong links would not exist. It was already challenging in operating across two local authority areas. Whilst there might be more opportunities to deliver savings, the proposal would become more complex and would involve greater risk of failure. It also required willing partners and they were not obvious;
- *Option 4 - Continue to expand sharing services between Stratford-on-Avon and Warwick District Council, but do not merge politically* - as explained under Option 1, this approach already started and there was already a joint Senior Management Team. Under this option though, all services and teams from across the two Councils would come together. It was anticipated that over the next three years there would be a need to save significant costs and the approach would also increase resilience. This option fell short, however, of creating a merged authority. It would result in both Councils remaining with two sets of accounts, two auditors and two sets of Councillors that would both have all of their own committee meetings to service. Whilst this approach would make significant financial savings, it would still leave considerable duplication of functions across the two Councils;
- *Option 5 - Create a new single District Council for South Warwickshire*, under this option both Councils would be abolished and a new District Council covering the whole of South Warwickshire established covering the area. There would be one set of Councillors who would set the vision and direction for the newly formed Council. This was an option that required the Council's to directly ask the Government to consider at this stage, as it only related to both Stratford-on-Avon and Warwick District Councils. It was not considered as full "Local Government Reorganisation" which would require an invitation from Central Government;
- *Option 6 - Create a Unitary Council for South Warwickshire and join the WMCA* - this option would involve abolishing Stratford-on-Avon and Warwick District Councils and transferring existing County Council responsibilities to a new unitary council which would be responsible for the delivery all services. This approach

would be considered as formal "Local Government Reorganisation". In addition, if formed it would seek full membership of the West Midlands Combined Authority (WMCA). The WMCA was formed in 2016 and included the whole of Warwickshire. Neither the Districts nor County Council were full members. The WMCA had key roles in relation to transport projects, building new homes, the economy and further education. This approach might be desirable in the longer term, but again would not be deliverable without wider "Local Government Reorganisation";

- *Option 7 - Create a Unitary Council for South Warwickshire* - this option was fundamentally the same as option 6. This approach was not being considered at this stage as Central Government was responsible for launching this type of review. It would also not be possible to consider this approach for South Warwickshire in isolation, as it would have significant implications for the rest of the County area of Warwickshire. Earlier reports identified that this option might provide greater savings and it was possible that this approach might be considered in the future.
- *Option 8 - Create a Unitary Council for the whole of Warwickshire* - in essence this option was the same as option 6 although instead of creating a unitary authority for South Warwickshire, however, one would be formed for the whole of the County Council area of around 600,000 residents. There would be issues involving significantly differing levels of Council Tax (circa £100 and £75 difference between SDC and WDC and the northern Boroughs and Districts) across the County that would need to be resolved under this option and there was a risk that the organisation would feel too remote from residents. As with Option 6 and Option 7, this approach would require "Local Government Reorganisation" and, therefore, it would be necessary to wait for an invitation from Government in order to progress this option;
- *Option 9 - Create a Unitary Council for the whole of Warwickshire and join the WMCA*, this approach was the same as option 8. When formed, full membership of the West Midlands Combined Authority would be sought, the merits of which were discussed in Option 6. This approach was discounted at this stage, however, as it would also require wider "Local Government Review"; and
- *Option 10 - Set up Private Sector Company to deliver all local services on behalf of Stratford-on Avon and Warwick District Councils*, this option would involve the coming together of teams across the two District authorities which would then lead to the establishment of a private sector company into which staff would be transferred. This approach was used across the country when looking at specific service areas such as housing companies and has also been used in waste partnerships. It had not been used for all Council services. There were concerns that such an approach had not been tested to the full and also could commercialise the approach to residents and businesses creating a gap in local democracy. This approach had also, therefore, been discounted at this stage.

Each of these options were evaluated against the following set of criteria:

- Impact on local public services.



- Cost Savings.
- Value for Money.
- Stronger and more accountable local leadership.
- Medium/long term sustainability of services.

Attached at Appendix 11 to the report was the detailed evaluation of these options against these criteria, the result of which supported the option to seek a full merger. It was on this basis that the Councils undertook the consultation exercise on the preferred option to fully merge the two organisations.

The option available for Members in relation to the highest ranked option to create a South Warwickshire District Council were now as follows:

- To support the proposition for the creation of a South Warwickshire District Council and make a formal submission to the Secretary of State for the Department of Levelling Up, Housing and Communities.
- To reject the proposition for the creation of a South Warwickshire District Council and not to make a formal submission to the Secretary of State for the Department of Levelling Up, Housing and Communities.

If, however, Members were minded to adopt the latter course of action and vote accordingly, they would also need to immediately consider what other options the Councils should pursue to address their financial challenges bearing in mind that both Councils would need to decide their respective budgets in the February/March 2022 and both existing MTFS were based on savings from the merger contributing toward the projected deficits.

In terms of the availability of other options, of the ten, then the four unitary options were not within either Councils' gift to implement. In any case, even on the assumption that the required invitation for Local Government Reorganisation proposals was issued by the Government, on the recent experience of Cumbria, North Yorkshire and Somerset, it would take a year for the decision-making process to be completed and another year and a half to create the new Councils. In the meantime, no saving of the transformational nature would be capable of being implemented. It would be too late for both SDC and WDC to take action other than to use, and potentially exhaust its reserves given the time profile of the need to make savings.

Option 10 was highly risky. Given the procurement processes involved it was not a quick route. This militated against its deployment given the timescales to address the financial challenges. Option 1 was essentially a do-nothing option at a time when a do something option was needed. Option 3 created the challenge of finding other worthwhile partners with whom to work. This would take time to put into place, if possible. Time was against the Councils, irrespective of the reputational impact on partnership working of either or both Councils deciding against a merger. Should Option 5 also be decided against, Option 4 was left as a strategic approach – i.e. service integration only and Option 2 – i.e. undoing the current joint work and dealing with the forecast deficit alone.

Option 4 left an inherent risk of always being prey to the "slings and arrows of outrageous fortune" also known as politics, which could cause

conflict, build in duplication and inefficiencies. Members would also needed to consider the risk that if one Council voted to merge and the other not, whether the appetite for joint work in any shape or form be the same. The experience of South Hampshire and West Devon where this situation arose in 2018 was that it took time for the wounds to heal and for joint working to pick up again. In fairness, it was subsequently aided by new political leadership in charge at both Councils. This suggested the need for more time to recover and so played against both Councils' needs. Councillors would also need to consider the impact on staff of an approach which in essence exposed staff to change but which left Councillors exempt.

In Option 2 each Council goes its own way, undoing the current level of joint work where possible, though this raised issues about contractual commitments such as the joint refuse collection and recycling service. As an approach, its focus was upon replacing the savings envisaged by the merger from other approaches. Given that both Councils needed to have other proposals to address the forecast deficit in any case, this approach would place more pressure on service reductions as the answer to the financial challenges.

The Overview & Scrutiny Committee meeting discussed the report using the themes that the Scrutiny Chairs had established at the outset of the process. Five main themes were identified:

1. Consultation
2. Services
3. Climate Emergency
4. Democratic Representation
5. Finance & Risk

Overview & Scrutiny would focus on themes (1) to (4). At the meeting each theme was discussed in turn and any comments and recommendations made at the end of discussion of each theme.

On Consultation, the Committee asked that where issues had been raised by residents, there should be a summary of the issues raised and drilled down to provide the split between Councils. It also requested that the way that information was given to residents, should both Councils agree to merge on 13 December, be strengthened so that residents are clear about the aims and objectives of the new Council. There should be an ongoing communications plan. It requested that stakeholder submissions should be circulated to all Councillors ahead of 13 December.

It recommended to Cabinet that a clearer statistical summary of the evidence base should be published providing clarity upfront on the differences between results in respect of the Residents' Telephone Survey and the Open Consultation Questionnaire and how these evidence bases would be used to shape the future strategy.

On Services, the Committee noted the importance of communication with residents and how the council engages with them as Services develop. The Committee made two recommendations to Cabinet:

1. There should be Councillor engagement when developing the Service Area Plans, this should include involvement in metrics and how measures would be set. (Councillors would not be involved in deciding the mechanism for providing this.)
2. More information should be provided on how to treat the risk logs (the Deloitte Risk Register and the Programme Risk Register devised by officers) and the relationship between the two, after it had been explained that the differences were a result of the timings when the Risk Registers had been prepared, with Deloitte's being at the very start of the process.

On the Climate Emergency, the Overview and Scrutiny Committee did not make any comments or recommendations in respect of Climate Emergency.

Regarding Democratic Representation, the Committee recommended to Cabinet that:

1. It should be made clear that the Council would work with all parish and town councils in the district, not just those which were members of the Warwickshire Association of Local Councils (WALC).
2. The implications of reference to the "Quality Parish" mark (Item 4/Appendix 10/Page 4 in the agenda papers or page 6 in the actual document) should be reviewed because it was too restrictive. Councillors expressed their scepticism about the advantages being a "Quality Parish" Council might bring.
3. The Shadow Council, should, as one of the first things it focusses on, create a framework for how parish and town councils will be supported and how this Council would engage with them with a view to looking at how powers might be devolved to them in the future where there was interest in so doing.

The Finance and Audit Scrutiny Committee requested that Councillors should be provided before the Council meeting on 13 December with a new financial table that consolidates the most recent estimates of the financial case based on the savings to be achieved over the period to 25/26. The table should include the investments to secure those savings (the three tranches of £1.5m) and should distinguish the savings that would be achieved through service integration and those that could only be achieved from political merger.

The Committee believed that this information would supplement and provide a single point of reference for the financial case for merger from the original information in the Deloitte Report from January 2021 (Appendix 1 to the report), the more recent analyses from the LGA (Appendices 4 and 5 to the report) and the financial information provided by the Head of Finance (Appendix 12 to the report).

The Committee noted the importance, should a political merger be approved, of harmonising Council Tax between the two current Districts, noting that differences in Parish and Town precepts added a further complicating factor in how this would be achieved and over what period.

In the opinion of the Committee, the plan for harmonisation would be closely linked to the proposed discussions with WALC and representatives of parishes and towns about the devolution of powers, responsibilities, and assets.

The Committee considered the Programme Risk Register (Appendix 6 to the report). It noted that this superseded the risk assessment made by Deloitte in its Report. The Committee expressed a view that the risk ratings for PR004 and PR007 ("democratic deficit" and "integration of culture") were underscored but accepted that the Register was dynamic, and the Committee would have the opportunity to consider future iterations of it should the programme go ahead.

The Committee also thanked officers and Members for the significant work that had gone into the report and the appendices, and for the balanced way in which they were written.

In response to comments from Scrutiny Chairs, the Leader clarified these in consultation with the Chairs of the Scrutiny Committees during the meeting. As a result, responses were proposed by the Leader for the Cabinet to consider. These were agreed as set out at resolutions four and five below.

The Leader provided opportunity to the Group Observers to provide their view on the report. Councillors Boad, Davison, Mangat all summarised their group discussions and took the chance to thank officers for the "exemplary" report.

Councillor Day then proposed the report as laid out.

**Resolved** that

- (1) the additional evidence collected since February 2021 to aid the Members' decision-making process on this matter, be noted
- (2) the Programme Risk Register attached at Appendix 6 to the report and the Programme of Implementation as updated attached at Appendix 3 to the report, be noted and endorsed;
- (3) in respect of the recommendations from the Overview and Scrutiny Committee, the Cabinet decided as follows:
  - a) In respect of the surveys, it was agreed that *"the residents survey has been designed to give a representative sample that reflects the makeup of people across the two district populations. Achieving a sample size of more than 600 means that statistically speaking we can be 95% confident that it reflects the views of residents as a whole. We have used this to*

*gauge the level of support for the merger. The open consultation was not weighted in the same way meaning that many groups have been under represented and some over represented. Whilst it doesn't provide a statistically sound base it is nevertheless an important source that will help us identify the key concerns that need to be addressed across the programme implementation."*;

- b) in respect of service risks, both SDC and WDC Councillors will be involved in this work, and the template for the service area plans should be considered by the Transformation PAB with each draft Service Area Plan being considered by its respective PAB; and
  - c) in respect of Democratic Representation; the Cabinet were satisfied that the report is clear enough, that all Parish and Town councils will be worked with, not just those who are members of WALC; officers were asked to fully investigate and confirm the merits of being a quality Parish/Town Council and the details of this be circulated ahead of Council on Monday; and in respect of the framework for working with Parish and Town Councils, the Cabinet expected this work to start in the New Year if the Council was minded to merge with SDC.
- (4) in response to the comments from the Finance and Audit Scrutiny Committee, the Cabinet asked the Chief Executive to circulate to all Councillors confirmation of the savings that other District Councils have achieved through political merger; and
- (5) all the officers involved for this exemplary report and all Members for their cross-party work on this be thanked.

**Recommended** to Council that

- (1) a formal submission should be made to the Department for Levelling Up, Housing and Communities to create a South Warwickshire District Council;
- (2) the formal submission document to create a South Warwickshire District Council attached at Appendix 5 to the report, be approved and authority be delegated to the Chief Executives in consultation with the respective Leaders of both Councils to make any minor and

typographical changes identified and to agree the covering letter;

- (3) a joint member working group be established to review the issues raised in Section 4 and in addition to agree that the working group works with WALC and other key parish and town councils to undertake a community governance and function review for South Warwickshire;
- (4) a consultation with staff and Trades Unions on options for addressing harmonisation of staff terms and conditions including pay, be agreed; and
- (5) should recommendation (4) above be not agreed, or that either Council does not agree to make a submission in relation to recommendation (4), an emergency Council meeting be arranged in early January so that a revised strategic approach can be discussed and agreed prior to the setting of the annual budget for 2022/23 and beyond.

(The Portfolio Holder for this item was Councillor Day)  
Forward Plan Reference 1,259

# Cabinet

Excerpt of the public minutes of the meeting held on Thursday 9 December 2021 in the Town Hall, Royal Leamington Spa at 6.00 pm.

**Present:** Councillors Day (Leader), Bartlett, Cooke, Falp, Grainger, Hales, Matecki and Rhead.

**Also Present:** Councillors: Boad (Liberal Democrat Group Observer), Davison, (Green Group Observer), Mangat (Labour Group Observer), Milton (Chair of Overview & Scrutiny Committee) and Nicholls (Chair of Finance & Audit Scrutiny Committee and Labour Group Observer)

## 76. **Declarations of Interest**

There were no declarations of interest made in respect of the Part 1 items.

### **Part 1**

(Items upon which a decision by the Council was required)

## 79. **Q2 Budget Report**

The Cabinet considered a report from Finance, which provided an update on the current financial position as of 30 September 2021, both for the current year 2021/22 at the end of Quarter 2, and for the medium term through the Financial Strategy. Key variances and changes were highlighted to inform Members, with some recommendations also being put forward for their consideration.

The Medium Term Financial Strategy showed that the Council was still reliant on making all the savings previously agreed as part of the 2021/22 Budget Setting. With the significant risks facing the Council's finances in future years, it was important that officers and Members took all actions to ensure that the savings were generated.

The recommendations and updates would enable the Council to ensure Members and other stakeholders continued to be informed on the most up to date financial position of the Council, both in year and for the medium term. It would enable decisions to be made based upon these positions to ensure that the Council could continue to operate within a balanced budget.

The current year variations were last formally reported to Members in September as part of the Q1 Budget report. At that stage the profile of the revenue position reported a favourable variation of £69k for Q1, with a favourable forecast full year variation of £440k.

Through regular budget monitoring by the Accountancy Team in conjunction with the relevant budget managers, the latest budget variations were reviewed and where necessary, narrative provided in the below paragraphs. As of 30 September (Q2), the variance was £312k favourable, with an updated forecast favourable variance for 2021/22 of £557k. A summary of this was provided below:





<b>2021-22</b>				
<b>Service (General Fund)</b>	<b>Variation Description</b>	<b>Q1 Variation £'000</b>	<b>YTD Variation at Q2 £'000</b>	<b>Forecast Full Year Variation £'000</b>
Employee Costs	Staffing	£223 A	£127 F	£200 F
Assets	Delays to PPM works	£385 F	£500 F	-
	Riverside House L4 closure savings	£48 F	£56 F	£30 F
Cultural Services	Restricted Arts Concession activity (Reported Q1)	£11 A	£62 A	£100 A
	Arts staff Furlough	£18 F	£33 F	£33 F
	Leisure Concession	-	-	£288 F
Development Services	Development Control Income	£33 F	£399 F	£250 F
	Building Control Income (Reported Q1)	£54 F	£48 F	-
Environment & Operations	Bereavement Activity reduced	£50 A	£200 A	£250 A
	Car Park improved collection	-	£175 F	£250 F
	Add' Waste Collection	-	£162 A	£300 A
Finance	FMS (Reported Q1)	£57 A	£57 A	£57 A
Housing Services	B&B Accommodation	£100 A	£244 A	-
Strategic Leadership	COVID-19 Other Costs – Cleaning (Reported Q1)	£28 A	£40 A	£100 A
	COVID-19 SFC Income Compensation Scheme	-	£424 F	£424 F
	Joint Venture Loan Interest	-	£140 F	£964 F
	Enabling Development	-	£40 A	£40 A
	Contingency Budget	-	£23 A	£23 A
	Budget Savings proposals	-	£512 A	£512 A
	Budget Savings in-year underspend	-	£250 A	£500 A
<b>TOTAL</b>		<b>£69 F</b>	<b>£312 F</b>	<b>£557 F</b>

Implementation of savings reviews was ongoing across services, following the update to delivery forecasts discussed in the Quarter 1.

Continuing with the Salary Vacancy Factor process outlined in the Q1 report, the Q2 adjustment reflected the underspends on salaries within cost centres during the periods 1-5 (April -August).

As part of the Vacancy Factor process for Q1, £145,100 (GF) and £74,400 (HRA) was appropriated from staffing budgets for months 1 and 2.

For Q2, the following amounts were appropriated to the vacancy factor budgets:

<b>Portfolio</b>	<b>Vacancy Factor Budget 21/22</b>	<b>Budget Released Q2</b>	<b>Total budget Released P1 - 5</b>
Assets	-£48,600	£0	£1,700
Community Protection	-£55,200	£22,000	£26,400
Cultural Services	-£56,600	£32,700	£65,500
Development Services	-£109,300	£30,600	£56,000
Economy & Place		£6,500	£38,100
Environment & Operations	-£58,800	£34,000	£56,100
Finance	-£39,800	£21,100	£21,600
Housing Services - General Fund	-£38,200	£14,800	£14,800
ICT	-£42,900	£4,500	£11,000
Law & Governance		£5,200	£8,300
People & Communication	-£36,500	£8,900	£9,900
Revenues & Customer Services	-£66,300	£10,800	£25,000
Strategic Leadership	-£46,400	£3,100	£6,400
<b>Total General Fund</b>	<b>-£587,400</b>	<b>£197,500</b>	<b>£340,800</b>
HRA	-£77,400	£101,600	£149,300
<b>Total</b>	<b>-£664,800</b>	<b>£299,100</b>	<b>£490,100</b>

This enabled a further £198k (GF) and £102k (HRA) to be appropriated from Staffing budgets for months 1-5 as part of the Salary Vacancy Factor process. Overall, 58% of the GF Vacancy Factor was met, with the HRA Vacancy Factor being surpassed.

Once the Vacancy Factor budgets were surpassed (as was the case with the HRA), additional budget that was released would be returned to GF and HRA reserves, available to be used as necessary to meet other emerging challenges and opportunities.

After the Vacancy Factor Adjustment and departmental service reviews were taken into consideration, General Fund salaries were £127k favourable against budget at the end of Q2. However, following the vacancy factor process and discussions with the relevant managers, parts of these budgets might be required to backfill where work was behind due to staffing, establishment, and recruitment issues. These assumptions would continue to be reviewed and challenged as part of the Q3 vacancy factor work and Corporate Management Team would continue to oversee the vacancy management process.

Regarding assets, the delays to the commencement of a number of Planned Preventative Maintenance (PPM) programmed works reported in Q1 continued into Q2, resulting in the variation increasing to £650k. A number of factors were resulting in the delays to these works, with the key one being staffing resources within the Assets Service, driven by high levels of sickness, as well as recruitment challenges. It was expected that the full allocation of budget would be used to meet the repairs necessary in order to maintain the corporate stock. However, it was likely that up to a third of the £1.5m programme would have to be slipped into the following financial year and so not present a real saving.

Another contributing factor to the variation was the way in which works were reported with the existing Financial Management System (FMS). One

of the expected benefits of the new FMS, which went live in November, was that expenditure commitments would appear in a timelier manner in the system from the Property Management System. This would be as and when orders were raised, rather than only when they were paid. This would improve forecasting against the schedule agreed at Budget Setting in February.

The continued closure of parts of Riverside House, including level 4, resulted in the savings against budget increasing to £56k, including £27k of utility savings. It was expected that these costs would increase as more people return to the offices as part of the hybrid working plan, as well as the increased costs associated with the Winter period.

It should be noted that utility charges were currently within budget heading into the winter, and the Council should not have been impacted by the recent increases in wholesale costs. However, the current rates were only fixed until March 2022. From this date, prices were expected to increase by around 20%, which would be incorporated into the 2022/23 budgets and Medium Term Financial Strategy in due course.

In relation to Cultural Services, the indoor sites, including the Royal Spa Centre, Royal Pump Rooms and Town Hall remained closed until September. The income foregone (£442k) was offset in part by a reduction in expenditure costs (£380k), such as bar supplies and Artist booking fees. Further support was received through Government grants, both those specific to the Arts sector, and through the Sales Fees and Charges Income Compensation Scheme. Heading into the Winter period, the number of events held typically increases, with the largest event each year being the Pantomime, so ticket sales would continue to be monitored over this period as part of the reopening plan. There were also a number of rescheduled events taking place over this period.

The Council continued to support casual staff through the closure, with the decision to furlough them from May 2020. The Council's final claim for salary costs in respect of 28 casual staff through the Coronavirus Job Retention Scheme, better known as Furlough, was made covering the month of July. The scheme was formally ended as of 30 September 2021.

Due to the pandemic, no Everyone Active concession income was allowed within the original Budget for 2021/22, rather than the £1.252m concession agreed within the original contract. Everyone Active submitted a financial projection for 2021/22 which was reported to Cabinet in July 2021. This projection anticipated a deficit for the year of £411k based on the situation at the time and the anticipated profile for recovery from COVID. Everyone Active continued to report their performance monthly to officers, with notable improved performance being reported from June 2021.

In September 2021, Everyone Active reprofiled their performance based on the first 6 months of the year and adjusted the year end position to a projected surplus of £288k. It was noted that this was still a forecast and could change again depending on a number of factors including COVID restrictions over the winter months. It should also be noted that this readjusted figure allows for the closure of Abbey Fields and Castle Farm from January 2022.

Development Control received a large planning fee relating to the proposed Gigafactory in the District, resulting in the significant uplift in income for the period.

A recurrent contingency budget of £750k per annum was established as part of Budget setting in February to mitigate the expected long-term reductions in car park income because of reduced activity, driven by changing shopping, social and work habits. Following a challenging first quarter where a number of restrictions were still in place, car parks across the District then benefitted from increased activity throughout the Summer. This was driven by the return of key outdoor events, including the Leamington Food Festival, which drove footfall. Other car parks, primarily those linked with the parks and recreation sites, also saw higher than forecast activity, likely due to the restrictions around foreign travel that were still largely in place over this period, resulting in more people visiting UK and local attractions.

While the winter periods might present further challenges for this service (outside of Christmas), it was expected that the requirement for this contingency might be reduced going forwards. This would be reflected through releasing £250k on a recurrent basis from this year, with a further recurrent £250k being released from the start of 2022/23.

Bereavement activity started to stabilise following a year of increased activity, with levels of burials and cremations being driven last year by COVID-19 related deaths, giving rise to additional income. As at quarter 2 income was currently £200k adverse against budget. The ongoing demand for the services was reviewed as part of the fees and charges and budget setting processes.

Additional waste collections continued into 2021/22, with increased volumes requiring collection from residential properties due to the continuing prevalence of remote / hybrid working. This was incorporated into the new waste contract commencing in August 2022. In 2020/21, the additional cost of collection totalled £600k.

This was, in part, offset by increased recycling income received during the year, also driven by increased collection rates.

Increased levels of temporary B&B accommodation were used since the start of the pandemic, to a cost of an additional £244k year to date. However, the Council would receive Flexible Homelessness Support Grant to fund this additional expenditure.

A number of other COVID-19 specific costs were incurred during the first half of the year, including the provision of Personal Protective Equipment and cleaning / sanitation. These costs would continue as the Council continues to mitigate the risks, and to support the move to hybrid working from November.

The Government extended its sales, Fees and Charges COVID-19 Income Compensation Scheme last year to continue into Quarter 1 2021/22, based on the same principles:

- The local authority will absorb the first 5% of the loss.
- The Government will fund 75% of the loss thereafter.
- The losses were in respect of sales, fees and charges that were not recoverable (including the concession fee from Everyone Active).
- Rents, commercial income, and interest receipts are excluded.

The Quarter 1 return was submitted on 22nd September, outlining £566k of lost income as a result of COVID-19. It was worth remembering that across this period (April-June) there were still varying levels of restrictions still in place. Following on from the principles as outlined in 1.3.5.1 of the report, this equated to a claim of £424k.

Within the Medium Term Financial Strategy last reported to Cabinet for Q1, estimated income in respect of this scheme was calculated at £600k. Therefore, an adjustment of £176k had to be incorporated into the latest update of the strategy.

The Council's wholly owned Housing Company Milverton Homes Ltd (Company Number 13123477) entered into a Joint Venture (Crewe Lane LLP) with housing developer Vistry Partnerships Ltd (Company Number 00800384) to facilitate the construction of 620 dwellings in Kenilworth on 27th August 2021. To finance the JV, the Council issued four loans of varying terms to the value of £50m. A further £10m in loans was committed to be issued in April 2022.

All loan interest and capital repayments would be serviced by and were the liability of the JV with necessary legal and financial securities and charges in place to protect the Council's interests in line with expert legal and financial advice. The loan interest payable to the Council from Crewe Lane LLP was charged at a commercial rate and any surpluses would be retained by the Council to support service operation. This was expected to return £964k in 2021/22. The 248 Affordable and Social Housing Dwellings would be constructed and handed over to the Council's HRA over a phase period ending in approximately 2028. Milverton Homes also committed to purchase 62 further dwellings.

Within the 2021/22 Budget agreed by Council in February there was a Contingency Budget of £200k for any unplanned unavoidable expenditure. To date £223k was committed from this budget. This would be further reviewed as part of the 2022/23 budget setting process.

The progress against the Budget savings proposals is outlined in section 1.3 of the report.

In respect of current year variances - Housing Revenue Account, variations were identified by the Accountancy Team in conjunction with the relevant budget managers, giving a favourable variance of £1.549m as of 30 September, with a forecast favourable variance for 2021/22 of £94k. A summary of this was provided below:

<b>2021/22</b>				
<b>Service</b>	<b>Variation Description</b>	<b>Q2 Variation £'000</b>	<b>Forecast Full Year Variation £ '000</b>	<b>Rec / Non-rec</b>
<b>HRA</b>	Staffing (after Vacancy Factor Adjustment)	£51 F	£200 F	Non-rec
	Council Tax vacant properties	£48 A	£90 A	Non-rec
	Housing Repairs	£1,600 F	-	Non-rec
	PV (Solar) Panel income	£38 A	-	Non-rec
	Warwick Response equipment	£16 A	£16 A	Non-rec
<b>TOTAL</b>		<b>£1,549 F</b>	<b>£94 F</b>	

Staffing resources across the Housing Revenue Account saw similar issues to those impacting the Assets teams. Sickness and recruitment challenges were present and were likely to continue going forwards in the immediate future.

Continued delays in receiving invoices from contractors for housing repairs, both major and responsive, was leading to the favourable variance YTD. As reported at Q1, a process was implemented to ensure order data from the Housing Management System (Active H) appeared in the new Finance Management System (FMS) as orders were raised, ensuring expenditure reporting was more robust and timelier than it was through the existing FMS. The new FMS went live on 8 November. A further update would be provided for Q3, with any necessary changes made via the budget setting process. It should be noted that major and responsive works were ongoing, with the expectation that the £6.450m would be utilised.

The time with which properties were vacant between tenancies increased since the start of the pandemic. Resourcing issues with ensuring contractor access for repairs and cleaning resulted in delays in being able to get new tenants into these properties. During the period of vacancy, it was the HRA which picks up the cost of the Council tax.

There were delays in receiving Solar panel income from the supplier. This was expected to be resolved during the year.

A one-off purchase of equipment to support the installation of a new Warwick Response system was made in this period. Warwick Response as a service would benefit from increased income and efficiencies going forward as a result of the expansion of the service, having now taken on customers from North Warwickshire as part of an ongoing service agreement.

For Recommendation 2 – Budget Savings Progress, managers provided updates as to expected delivery against the Budget Savings Proposals agreed originally in December 2020, and last reviewed as part of the Q1 report.

The latest updates resulted in a further reduction in expected delivery of savings from Digital Transformation in 2021/22 of £75k to £200k.

Kenilworth Leisure Centre borrowing was forecast to be delayed by 6 months to 2024/25, so savings £250k in 2023/24.

Within the savings, a £500k 'in-year underspend' was allowed for. At this point in the year, nothing was explicitly allocated to this. However, as part of the on-going Budget monitoring throughout the remainder of the year,

any projected savings would be allocated against this heading.

Appendix 1 to the report set out a full breakdown of the progress on the Budget Savings Proposals.

With many of these savings still requiring much work to be carried out, a more prudent stance was taken in projecting the likely savings from some initiatives. These savings were reviewed monthly by the Management Team to seek to ensure that the savings initiatives were duly progressed.

For Recommendation 3 – the Medium Term Financial Strategy (MTFS) was last formally reported to members in September as part of Q1 Budget report. At that stage the profile of revenue savings to be found was as follows: -

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Deficit-Savings Req(+)/Surplus(-) future years	-163	448	938	715	515	241
Change on previous year	0	448	490	-223	-200	-274

As well as the in-year changes detailed in section 1.1 of the report, there were a number of key changes to the MTFS for future years, as outlined below:

Fees and Charges were reviewed across all Service Areas, with the detail being presented to this Cabinet in its own report (Fees and Charges 2022/23 – Ref 1194), which was considered in the November Cabinet meeting.

The proposed fees and charges present an overall forecast increase in income of £828k. As amounts totalling £399k were already factored into the MTFS (inflation and service initiative programme), the remaining balance of £429k would now also be included.

Officers were also continuing to liaise with senior Everyone Active representatives to agree the financial projections for 2022/23 and an agreed approach to payment of the concession to the Council. These figures would be reported to Cabinet as soon as they were confirmed. At this stage the MTFS included the full contractual concession for future years which increments up to £1.66m by 2026/27.

Regarding the Waste Contract and Recycling Centre Fire, the impact of the fire in July at the Ettington recycling centre was still uncertain currently. Currently a £1m contingency was put into the MTFs to support any additional costs incurred from this. Further developments on the response to the fire, along with confirmation of the new waste contract, would be incorporated into the Budgets to be reported to Members in February.

When considering the changes outlined in the report, the position of the Medium Term Financial Strategy is as follows: -

	<b>2021/22 (Latest)</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Deficit-Savings Req(+)/Surplus(-) future years	-557	-1,258	-1,230	-1,900	-1,571	-1,107
Change on previous year	0	-1,258	28	-670	329	464

It was noted that the Medium Term Financial Strategy currently presented a surplus position across all years of the strategy. However, a number of these years' surpluses were driven primarily by the non-recurrent income received from the loan interest serviced by Crewe Lane LLP, for which the last year was 2026/27. Once this was excluded, the underlying position moving forward was a forecast £400k surplus. This surplus was still driven by two factors which remained significant risks:

- The achievement of the savings and increased income specifically the sum identified for green waste charging (Section 1.3 and Appendix 1 to the report)
- The concession from Everyone Active, as discussed in paragraph 1.4.4 of the report.

Therefore, it was still essential for the long-term financial standing of the Council that delivery on the ambitious budget proposals, reviewed last quarter and discussed in section 1.3 of the report, was achieved.

Furthermore, the Council had significant risks following the fire at the Pure Recycling plant; the labour market in relation to HGV drivers; and its income streams due to the uncertainty around the pandemic.

Based on the General Fund gross expenditure of c£70m, this forecast surplus was under 1%. Noting the potential volatility of certain income and expenditure streams, the surplus was very low, and could very easily slip into a deficit position.

Appendix 3 to the report was included with the report to show the effect on the Medium Term Financial Strategy if none of the Budget proposals outlined in Appendix 1 to the report were to be achieved from 22/23. The summary of this was as follows:



	<b>2021/22 (Latest)</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Deficit-Savings Req (+)/Surplus(-) future years	-557	-1,258	-1,230	-1,900	-1,571	-1,107
Change if budget proposals not achieved	0	2,008	2,639	2,866	3,086	3,020
Potential Deficit	-557	750	1,409	966	1,515	1,913

Recommendation 4 in the report – Allocation of General Fund Surplus, showed that the current year forecast surplus of £557k was proposed to be allocated to the Service Transformation Reserve.

The use of all the Council's Reserves and Balances would be considered further as part of the Budget Report in February 2022.

Recommendation 5 in the report – Capital Variations had the following proposed changes to the Capital Budget identified:

- 1) Castle Farm Sports Pitch Drainage—£73k slippage into 2022/23.
- 2) Play Area Improvements- £100k slippage into 2022/23.
- 3) 2nd Warwick Sea Scouts- £337k saving as project complete (£250k paid back by Sea Scouts).
- 4) Lord Leycester Warwick Town Wall- £100k slippage into 2022/23.
- 5) Covent Garden Electrics- refunds of £113k to go back into Corporate Asset Reserve.

In respect of Recommendation 6 in the report – Commonwealth Games Street Dressing, Officers were working closely with the Organising Committee of Birmingham 2022 Commonwealth Games as further details emerged on volunteering, Live Sites, and street dressing for summer 2022. In February 2021 an allocation of £83k was made from the Commonwealth Games Reserve to cover these three areas of work, the figures being based on the information that officers had at the time. Whilst the costs associated with volunteering and live sites remained relatively static over the last 10 months, the street dressing work stream evolved. The official Look Book containing the range of street dressing items was released in late October, allowing officers to undertake more detailed planning and costing of proposals for the District. The range of street dressing offered an opportunity for the district to “dress” the towns to show them off to their best making local residents proud of their district and to create a real sense of arrival for visitors during the Games. The original plan was to focus on relatively low-key street dressing on the walking routes to the venues (B2022 would dress the 2 venues i.e., St Nicholas Park and Victoria Park), some specific dressing at the Live Site in the Pump Rooms Gardens (WCC would dress the Warwick Live site in Market Square) and some targeted dressing in Kenilworth and Whitnash in

partnership with the Town Councils.

However, on reflection, it was felt that the Council was missing a trick in celebrating the District. It was considered that this more ambitious approach would make a real impression for residents and visitors to the district and might create a model that could be replicated for future large events in the district.

To achieve this more high-profile approach, additional budget was required. Work was ongoing to finalise the proposals for the various street dressing items in terms of costs and locations, and whilst officers engaged with each of the Town Councils, details of the financial contributions from the respective town councils were yet to be confirmed. Therefore, it was requested that Cabinet agree to a further allocation of funding of up to £67,000, in addition to the £83,000 already in the budget, with approval for spending this budget allocated to the Chief Executive, Head of Cultural Services (joint sponsors of the project) in consultation with the Portfolio Holder for Leisure, Tourism and Culture. The allocation was proposed to be made from the Service Transformation Reserve.

Recommendation 7 in the report – Housing Finance Business Partner showed that as the Council increased and developed its Housing strategy, both through the Housing Revenue Account funded new housing developments, and through the establishment of a Local Housing Company (see section 1.1.9.5 of the report), the resources within the existing Accountancy Team increasingly became stretched. Therefore, it was agreed, with consultation and support from the Head of the Housing Revenue Account and the Head of Finance, that a new permanent post was added to the establishment.

The post would play a key role in the provision of a comprehensive accountancy service for Housing, including HRA and Local Housing Company support for the Council and to assist the Principal Accountant with their responsibilities.

The post was expected to require a budget of £46,200 per annum, proposed to be funded from the Housing Revenue Account Capital Investment Reserve.

There were no alternative options presented.

The Finance & Audit Scrutiny Committee supported the recommendations in the report. The Committee also welcomed the fact that the Everyone Active forecast income was showing a positive variance. The Committee requested an analysis of the income received from EA to date for each year of the current contract including compensation from the government during the pandemic for lost concession fees.

In response to comments from Members, the Portfolio Holder reminded them that the budget was only truly correct when first produced, future events such as potential lockdowns might alter it. He emphasised the need to deal with all oncoming challenges whilst still supporting residents and businesses to the best of our ability. The Leader of the Council echoed these comments and added that WDC had already set out the anticipated joint savings, so if the merger was not approved by Council an emergency meeting would be scheduled for January 2022 to discuss the required additional savings.

Councillor Hales then proposed the report as laid out.

**Recommended** to Council that the 2021/22 forecast surplus is reviewed further as part of the February 2022 Budget report, with the forecast saving of £557k allocated to the Service Transformation Reserve.

**Resolved** that

- (1) the latest current year financial position for both Quarter 2 (General Fund £312k Favourable and Housing Revenue Account £1.549m Favourable) and forecast for the year (General Fund £557k Favourable and Housing Revenue Account £94k Favourable) be noted, with the key variations that drive these positions;
- (2) the updated profile of budget saving schemes originally approved in December 2020 be noted;
- (3) the impact on the Medium Term Financial Strategy (MTFS) due to changes detailed within the report, and how these changes are expected to be accommodated, be noted;
- (4) the current capital variations for schemes originally approved in February 2021 be noted;
- (5) a further allocation of up to £67,000 for Commonwealth Games street dressing, to be funded from the Service Transformation Reserve be approved by Cabinet; and
- (6) an allocation of £46,200 per annum be approved by Cabinet for the provision of a new Housing Finance Business Partner, to be funded from the Housing Revenue Account Capital Investment Reserve.

The Portfolio Holder for this item was Councillor Hales)  
Forward Plan Reference 1,249

Title: Minor Changes to the Constitution  
Lead Officer: Graham Leach, graham.leach@warwickdc.gov.uk (01926 456114)  
Portfolio Holder: Councillor Day  
Wards of the District directly affected: All

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## **Summary**

The report proposes two minor changes to the Constitution to allow for remote meetings if regulations are introduced by Parliament.

## **Recommendation(s)**

That Council procedure rules are amended to enable the Council or its Committees, Cabinet, or any Sub Committees to meet remotely if legislation or regulations are passed by Parliament

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## **1 Background/Information**

- 1.1 The Prime Minister has announced new proposals to help mitigate the risk of spreading the latest variant of Covid19.
- 1.2 In response to this, Group Leaders have discussed ways to minimise the risk of interaction at public meetings, as lawfully they cannot meet remotely.
- 1.3 Officers are aware of continued representations to Government about re-introducing regulations for remote meetings to help mitigate risk of transmission. These have grown in strength in recent days and therefore officers wish to place the Council in the best place if changes are made.

## **2 Alternative Options available to (name of Committee/Cabinet etc.)**

- 2.1 The Council could choose not to progress this option but this could mean that it delays the opportunity to hold remote meetings if legislation is passed between now and the end of February.

## **3 Consultation and Member's comments**

- 3.1 Group Leaders are supportive of the proposals.

## **4 Implications of the proposal**

### **4.1 Legal/Human Rights Implications**

- 4.1.1 The proposals in the report are lawful and are intended to promote the safety of those involved in the meeting.

### **4.2 Financial**

- 4.2.1 There are no financial implications of the report.

### **4.3 Council Plan**

- 4.3.1 In respect of Warwick District Council Business Plan the proposals are intended

to ensure that the Council can continue to operate remotely if regulations permit and safely by minimising physical interaction at meetings. This enables both Councillors and officers to operate more effectively.

#### **4.4 Environmental/Climate Change Implications**

4.4.1 If remote meetings are brought into place again there would be a small reduction in carbon emissions through the removal of the need to attend meetings in person.

#### **4.5 Analysis of the effects on Equality**

4.5.1 The proposals are considered to have no direct impact on any of the protected characteristics and potentially allow more people to directly participate in the meetings.

#### **4.6 Data Protection**

4.6.1 For remote meetings there is a Data Protection Impact Assessment in place already that considers and addresses the risks. These focus on minimising the risk of sharing personal details (such as an email address or phone number) through a broadcast online and through the invites to meetings.

4.6.2 There is also consideration of any confidential items being considered with other parties being present at remote locations. Guidance on this will be provided to Councillors if this becomes relevant.

#### **4.7 Health and Wellbeing**

4.7.1 If remote meetings are put in place these will have a small positive effect by reducing physical interaction at meetings and therefore reducing the risk of spreading viruses. There is also the benefit of reduced travel time to meetings.

### **5 Risk Assessment**

5.1 The proposals seek to mitigate risks of attending physical meetings at this time. The main risks associated with the proposal is sufficient internet connection which can be supported by accessing the meetings via telephone.

### **6 Conclusion/Reasons for the Recommendation**

6.1 That the proposals for remote meetings in recommendation 1 should be introduced to minimise risk to all parties at this time, but these are subject to the Government introducing legislation.

**Background papers: None**

**Supporting documents: None**

### Report Information Sheet

Please complete and submit to Democratic Services with draft report

<b>Committee/Date</b>	Council 13 December 2021	
<b>Title of report</b>	Minor Changes to the Constitution	
<b>Consultations undertaken</b>		
<b>Consultee *required</b>	<b>Date</b>	<b>Consultee</b>
<b>Ward Member(s)</b>		
<b>Portfolio Holder WDC</b>	9/12/201	Andrew Day
<b>Financial Services *</b>		
<b>Legal Services *</b>		
<b>Other Services</b>		
<b>Chief Executive(s)</b>	9/12/21	Chris Elliott
<b>Head of Service(s)</b>	9/12/21	Phil Grafton
<b>Section 151 Officer</b>	9/12/21	Mike Snow
<b>Monitoring Officer</b>	9/12/21	Phil Grafton
<b>CMT (WDC)</b>	9/12/21	
<b>Leadership Co-ordination Group (WDC)</b>		
<b>Other organisations</b>		
<b>Final decision by this Committee or rec to another Cttee/Council?</b>	Yes	
<b>Contrary to Policy/Budget framework</b>		No
<b>Does this report contain exempt info/Confidential? If so, which paragraph(s)?</b>		No
<b>Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?</b>		No
<b>Accessibility Checked?</b>		Yes