

Pre-Scrutiny questions and answers on reports being considered by Cabinet on 9 December 2021

(This forms part of the considerations at Group meetings before a decision is made on which Cabinet reports will be called-in for scrutiny by the Overview & Scrutiny and the Finance & Audit Scrutiny Committees)

4. Proposal to create a South Warwickshire District Council

Questions asked by Councillor R Dickson

Thank you for the huge amount of work that has gone into this report and the various appendices.

I may have missed - in which case apologies - answers to the following two points but

1. 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.

Response from Tim Oruye:

PR022 on the risk register identifies this. The mitigation suggested can also be added to the register as part of the existing controls.

2. 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?

Response from the Head of Law & Governance and the Head of Finance:

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, 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.

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.

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.

3. Is it possible please for ORS to produce a slide comparing the responses to residents' telephone survey of residents aged 34 or less with those aged 65+ to the following two questions:
 1. Overall concerns with the merger, and
 2. Their ranking of different criteria

Response from the Performance, Consultation & Insight Manager, SDC:
This should be available from tomorrow.

Questions asked by Councillor Kohler

Thank you for the comprehensiveness of the 'Proposal to create a South Warwickshire District Council' report - it has answered numerous questions that I had about the potential merger. Inevitably, I still have a few other questions.

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.

Response from the Head of Law and Governance:

Question and answer #38 on the South Warwickshire Together Hub references this at a very high level.

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.

Another reference and as an example from a recent merger, please see this document from [East Suffolk on the Creation of a Shadow Authority](#).

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.

Response from the Performance, Consultation & Insight Manager, SDC:

The estimated effective sample size as a result of applying weights is 422.7. Implying the confidence interval around overall survey estimate is ± 3.95 percentage points or better (@95% Confidence level).

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.

(There was insufficient time prior to the deadline for responses to these questions to give a response to this question.)

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.

Response from the Performance, Consultation & Insight Manager, SDC:

This is a lot of data so can we suggest that interested Councillors ask Simon Purfield for a copy. His email is simon.purfield@stratford-dc.gov.uk

Questions asked by Councillor Milton

Firstly, can I say that it's been quite an achievement to present us with a set of papers which whilst weighty are well written and easily navigable. The work that's gone into them is appreciated.

Consultation and Communications

1. 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?

Response from Tim Oruye:

There is a [communications management plan](#) 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.

2. 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?

Response from the Chief Executives:

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.

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.

Climate Emergency

In terms of future development policy how will the proposed DPD on carbon zero housing be treated. Will it be adopted as the policy of any future organisation to guide future planning policy and decision making?

Response from the Programme Director for Climate Change:

It is proposed that the policies of the Net Zero Carbon DPD will be enhanced and rolled into 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.

Service Delivery

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?

Response from the Chief Executives:

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.

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.

This work will set the foundations in place for a new council for its future service delivery.

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.

How much resource is it anticipated will be put against this part of the work?

Response from the Chief Executives:

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.

Resource allocation for this work is yet to be decided but would be led by the members working group.

Questions asked by Councillor Davison

What's the plan for greater engagement with town/parish councils? How can we be sure that the new SW council will do this?

Response from Tim Oruwe:

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.

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.

Merger could be a logical first step to becoming a unitary council; if this is the case, what are possible steps in the process?

Response from the WDC/SDC Chief Executives:

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.

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.

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.

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 would be a substantial reduction: can there be any guarantee that this won’t happen?

Response from the SDC/WDC Chief Executives:

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, in West Suffolk when St Edmundsbury 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.

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?)

Response from The Head of Law & Governance:

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.

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?

Response from the SDC/WDC Chief Executives:

Of course, these will be shared.

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.

If the merger doesn't work out, how can councillors or residents seek to revert back to the previous district councils?

Response from the SDC/WDC Chief Executives:

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.

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?

Response from the Head of Finance:

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.

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.

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?

Response from the Head of Finance:

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.

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.

What evidence is there that larger District councils are more efficient/ provide better value for money than smaller District councils?

Response from Tim Oruwe:

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.

It will, however, require a combined effort from members and officers, from both councils, working together to achieve positive outcomes in South Warwickshire.

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.

Risks are ranked differently by Deloittes and WDC e.g, Deloittes 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?

Response from Tim Oruwe:

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.

Questions asked by Councillor Syson:

PR007 "Newly formed teams and organisational cultures are not fully integrated" is only given a 3 'possible' rating of Likelihood.

I realise these scores are subjective and that officers know the organisational cultures of the 2 authorities better than I do, but I would think 3 is a bit optimistic given what you are trying to achieve, and would hope that the proposed mitigation factors are given the highest possible priority and support. I would rate it at least on a par with integrating the IT systems, and in my experience, people are more complex.

Reading the various appendices, a just few of the phrases that jump out at me are:

"strong implementation approach critical to mitigate the risks, which could easily turn into disbenefits if not managed effectively."

"the effort required in this kind of wholesale cultural change should not be underestimated."

"Barriers: overcoming cultural and behavioural barriers from members and officers who do not buy in".

Response from the Chief Executive:

I think that all I can say is that the rating takes account of what we are doing already to address this issue. Whereas we have barely started on IT. I do realise the scoring is subjective and I agree that People are complex, we have taken a view as best we can. IT I think has a different sort of complexity and as I say above, we've barely started on that score so I would say it warrants a higher rating accordingly.

Cllr Quinney – Questions on the Merger Report

Question:	Response
<p><i>Financials</i> Rec 7 & 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>
<p><i>Financials</i> 1.4 & 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>

Question:	Response
<p><i>Financials</i> 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>
<p><i>Financials</i> 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>
<p><i>Consultations</i> 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?</p>	<p>This is contained within the full report.</p>

Question:	Response
<p><i>Consultation</i> 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>	<p>Please see attached data tables where this is answered</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> <p>Earlier today at 12.12pm (8/12/21) Chris Elliott sent all councillors additional information breaking down further responses by Council from the open questionnaire which will also help.</p>
<p><i>Consultation</i> 2.6.10 it would be helpful to disaggregate the responses to Q2 by District and type of responder.</p>	<p>Please see attached data tables from the Residents Telephone Survey where this is answered</p>
<p><i>Consultation</i> 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</p> <ul style="list-style-type: none"> • even the random survey of 613 largely uninformed residents were only 57% in favour • 45% of Warwick District residents were not in favour in the same survey • 64% of the 1633 responding to the questionnaire were not in favour (57% opposed) 	<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>

Question:	Response
<ul style="list-style-type: none"> • within that total <ul style="list-style-type: none"> ○ 70% in Warwick district were not in favour (64% opposed) ○ 52% in Stratford district were not in favour (44% opposed) ○ <p>That seems to indicate profound disquiet, even amongst those unaware of the proposals before being asked and especially in Warwick District. The case for change is accepted by all groups - but what change is open to doubt. 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>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> <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>
<p><i>Local democracy</i></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? 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>https://www.local.gov.uk/publications/local-service-delivery-and-place-shaping-framework-support-parish-and-town-councils</p>

Question:	Response
<p><i>Social, cultural and logistic geography</i> 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>	<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>

5. Q2 Budget Report

Questions asked by Councillor Syson

Thanks for all the good news, particularly relating to interest income, but I note the warning in 1.4.5.5 and the sword of Damocles hanging over green waste charging.

My questions are as follows:

Page 3 Salary Vacancy Factor

1.1.3.5 I am just making sure I am clear about this:

“Overall, 58% of the GF Vacancy Factor has been met, with the HRA Vacancy Factor now being surpassed.”

This means the total budget released so far, £340,800, is 58% of the year’s Vacancy Factor Budget of £587,400. The HRA Vacancy Factor is surpassed because it was budgeted at £77,400 but what has been released is now in total £149,300. What will be returned to the HRA reserves is presumably the difference between those two sums.

I note that the sum of the amount released for the General Fund in Q1, £145,100, (Q1 Budget report September) plus the amount released in Q2, £197,500, does not equal the total budget released to date of £340,800. Am I right to assume that some portfolios have had to reclaim some of money to backfill etc., and indeed you are expecting more to as noted in 1.1.3.7? Changing the portfolios hasn’t helped make comparisons!

[Response from the Strategic Finance Manager:](#)

[I agree that the change in Portfolios Mid-Quarter has made direct comparisons across the two quarters tricky!](#)

[Hopefully this can be picked out in some respects from the portfolios that have not changed. Some portfolios have had to reclaim / adjust for backfill but would expect this to be incorporated into the Total budget released figure.](#)

1.1.5.2

“The Council has 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 now formally ended as of 30 September 2021.”

What happened to the staff at the end of the scheme?

Casual staff will once again be available to support functions across Cultural Services now that they have been open from September, with our critical period across December with the return on the Panto.

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

1.1.7.5 "This has in part been offset by increased recycling income received during the year, also driven by increased collection rates."

It sounds good but as a matter of interest approximately how much increased income was there? It possibly didn't make a large dent in £600k.

The £600k figure related to 2020/21 and was the net increase in costs for that year. The £300k increase in costs forecast for the full 21/22 year include the offset of increased recycling income.

1.1.9.7 "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 has been committed from this budget. This will be further reviewed as part of the 2022/23 budget setting process."

Has this been an exceptional year for contingency extras? We have not done very well exceeding the budget in the first 2 quarters, but the items were needed. Could/should we have foreseen some of them?

While the contingency has been used to support a number of sizeable unplanned and unavoidable expenditure costs this year, it is difficult to say whether we should have foreseen any of these. It is something that will be reviewed as part of budget setting, particularly given that we may be likely to see further unexpected expenditure costs going forward linked with the merger as this develops (as we have this year with the set up of a shared legal service.

1.2.5 "There have been delays in receiving Solar panel income from the supplier. This is expected this (sic) to be resolved during the year." I hope this is not a repeat of the problems we had with a catering company, now departed.

This should not be similar to other issues and we fully expect to receive the tariff income, with work ongoing with the utility provider to resolve the issue.

9. Developing a Digital Strategy for South Warwickshire

Questions asked by Councillor Milton

1. In the approach to developing the strategy what will be done to ensure that it is designed around achieving better outcomes for residents and users rather than simply efficiency?
2. What will be done to support those people who are unable to access services through digital channels?

(The report author was unavailable to answer the question before the deadline.)

10. Outdoor Sports Review – Proposed Revised Delivery Models for Council Owned Facilities

Questions asked by Councillor R Dickson

Item 10 - many thanks for this report and the appendices. I have two questions relating to governance/process.

1. given the value of the assets involved and the impact of the proposals on the Council's income and expenditure, what contribution has been made to these proposals by the Resources PAB, and

Response from the Head of Cultural Services:

The report and proposals have been discussed at length by the Leisure, Tourism and Culture PAB on 3 occasions, firstly to agree the approach being taken, and more recently to discuss the proposed recommendations for the Cabinet report. The Resources PAB have not been directly consulted but the portfolio holder has.

2. how can the proposals for the Abbey Fields tennis courts be considered in isolation of the recommendations from the long-overdue and as yet unpublished Abbey Fields Management Plan commissioned by WDC?

The improvement of council tennis courts is based on technical assessment showing that a programme of improvements was required across the district including Abbey Fields. The Playing Pitch Strategy (2019) highlights the value that public courts bring to the provision of tennis across the district. In considering options for these courts officers have been in dialogue with colleagues in Environment and Operational Services who are developing the AF Management Plan. There are currently 5 courts as you will be aware, the final decision on the configuration

of the courts when they are resurfaced will be agreed closer to the time.

Questions asked by Councillor Milton

What consultation has been done with the impacted Town Councils? Given the strategic desire for a potential new (merged) council to hand off some facilities to increase local accountability this may be any area which the impacted Town Councils are more interested in?

Response from Head of Cultural Services:

The Town Councils were made aware of the consultation and were able to comment. The tennis courts are currently owned and the responsibility of WDC and at this stage there has been no discussion with any of the Town Councils about the future management of the courts transferring to the Town Councils

This is connected to my next question which is 'why now'? Given the relatively small amounts involved regarding Tennis Courts in particular I'm interested to know what is driving the haste.

The Outdoor Sports Options review was included as a piece of work within the WDC Commercial Strategy reported to the Executive in 2019. The ongoing pressure on council finances, made all the more challenging by COVID, places increased risk on the ability of the Council to continue to maintain discretionary services. Sports provision is discretionary and therefore could be at risk in the future unless a more financially sustainable model is considered. All 3 of the sports i.e., tennis, athletics, and football, cost the Council significant amounts each year to provide, and all require significant periodic investment to maintain them at a standard that allows them to be used. Tennis provision is currently costly with very little income, yet evidence from the LTA and other Local Authorities shows how tennis provision can be made significantly more cost effective whilst also increasing participation levels through more effective management and affordable charging schemes. In making the best use of limited Council resources, the timing of this report seems appropriate

How does this proposed policy align with Stratford District's approach?

SDC currently own no tennis courts so tennis in SDC relies on club courts; the athletics track is located at Stratford High School, and the Council operate only 2 grass football pitches that are booked out on an ad hoc basis. SDC disinvested in its outdoor sports many years ago, relying on private sports clubs and school provision

Could you clarify the figure for the income received currently from tennis? This is given as £2922 but only applies to Victoria Park with no revenue from St Nicholas. I recognise the different model, but it does risk the comparison between 'before' and 'after' being misunderstood.

The income from tennis is as in the report. The income from St Nicholas Park courts goes to Everyone Active as part of the wider leisure contract and is approx. £300 - £400 pa. The aim of the proposals in the report is to have a consistent model across the district for charging for tennis and using the income to provide a "sinking fund" to fund future investment in the courts rather than relying on diminishing local authority revenue budgets.

Given the potential financial impact of fixing the football pitch strategy what can be done to bring this forward in the programme should it go ahead?

The options outlined in the report for football are significantly more complex than those for tennis or athletics, and therefore will need dedicated officer resource to map out the options, consider what might work in the district, consult with a wide range of stakeholders, and then draw up a series of options for members to consider. Therefore, the report recommends that this piece of work is completed at a time when officer resource can be identified, by inference, once the direction of travel for tennis and athletics is agreed and the appropriate processes are underway. The proposals to prioritise tennis and athletics and delay on football was agreed with the Leisure, Tourism and Culture PAB in 2 of their recent meetings

How many more people in the district is it forecast will be able to access these sports as a result of these changes? Is there a target we're working to?

The LTA modelling provides an estimate of the increase in tennis participation. As an example, a similar project rolled out in Solihull has resulted in participation more than doubling on Council courts. Regarding athletics, there are no definitive figures at this stage however discussions with EA suggest an increase in casual use and club use could be achieved through better marketing and more effective management of the site. As the report explains, further work is required on the football elements of the provision, but at present all our grass pitches are used to capacity, and therefore a key element of the football work going forward will be the role of the current and proposed all weather pitches.

What consideration has been given to the political risk posed by being potentially seen to restrict access to public sports facilities in the year that our district will be welcoming the Commonwealth Games?

None of the proposals seek to restrict access, in fact the opposite is the case – there are greater opportunities for tennis coaching, more effective processes to allow booking of courts; and greater opportunities for access to the athletics track with the new management model in place.

What provision is being planned to increase and maintain access for people on lower incomes and people undertaking para-sports?

The report outlines the fact that concessionary charges will remain for tennis and athletics, and that for tennis in particular there will be a requirement on any future operator to provide a specified number of free tennis sessions in addition to the existing "Tennis for Free" initiative that has taken place previously on some Council courts. The track and courts are accessible, and the intention would be to require any future tennis operator to provide "disability tennis" sessions as part of their offering.

Questions asked by Councillor Quinney

I have the following comments and questions about this very comprehensive paper:

1. Tennis courts
2. App 2 page 2.
 - a. What are the main costs incurred within the £33k pa to maintain the Victoria Park pavilion - one-off repairs or ongoing?

Response from the Head of Cultural Services:

Further work is ongoing to get a definitive breakdown for Scrutiny meetings. The figure represents responsive repairs, but it appears that the figure provided to Strategic Leisure (author of the Options report) includes tennis and bowls pavilions, so the total for the tennis pavilion will be less.

- b. Are any related to general facilities for visitors to VP e.g., the toilets?

Yes - the figure for the tennis pavilion will include the whole pavilion, including the toilets

- c. What do the grounds maintenance charges at all four venues relate to? - especially the £12k at VP which is more than the £11k attributed to Edmondscote ? Which areas requiring grounds maintenance external to the Courts are regarded as distinct from the general park grounds?

The grounds maintenance figures for both the tennis and the track are lifted from the corporate idverde GM contract sums and contract specification. The figure will reflect both the services carried out at each site i.e., grass cutting, moss treatment, weeding, routine sweeping of courts, and the area to be maintained. For example, the costs for VP Tennis courts (10 courts) are comparable with the costs of the other 11 courts across the district. The work carried out at the track will be costed differently as this is grass cutting rather than sweeping, weeding and moss treatment at the tennis courts

2. If Court access can now be made payable electronically as proposed, why should the Council not continue to manage the facilities (at least the smaller ones) and receive all the income rather than just a concession fee?

The Council do not currently actively manage courts, they are free to play with the exception of VP and St Nicholas Park – so no officer time is allocated to these facilities. To manage the courts in house and deliver a programme of tennis activities (coaching, tasters, etc) would require officer time (cost). A tennis operator will also have far greater understanding of the best way to maximise use of the courts through the delivery of a comprehensive inclusive tennis programme rather than Council officers who are not tennis specialists and would be doing the work alongside a range of other duties.

3. Especially if, given the small, dispersed nature of three facilities, they will not offer sufficient income opportunity for a private operator to manage, alongside an adequate concession fee to WDC? (Interesting in this context that EA struggled to operate the two remote courts in Warwick successfully).

Officers have worked closely with the LTA who have an objective to increase participation in tennis and protect provision of park courts in the future. LTA evidence and soft market testing suggest that there will be significant interest in operating the range of sites in the district and will be able to provide a financially sustainable model at all sites. EA manage the 2 courts in St Nicholas Park from the leisure centre in the park; the only reason the courts were made free to use during lockdowns was that the leisure centre was closed due to COVID and therefore rather than have the courts closed too, it was felt appropriate to allow them to be used for free.

4. Question and answer are in a separate confidential document
5. Athletics
6. Question and answer are in a separate confidential document
7. What work has been done by officers to identify and contact potential new users of the track, and as mentioned at in the review, of the Pavilion?

Usage of the track is dominated by clubs and therefore efforts to maximise usage is best done through the clubs. Historically there has been very little casual use of the track due to a number of factors including its limited opening times, no online presence, cash only payments and limited marketing. There is no dedicated officer resource to market the track. For all these reasons it is considered that EA are in a far better position to increase usage as described in section 1.7 and related paragraphs of the report.

8. Given the large deficit and low income/utilisation at Edmondscote, what are the chances and risks of the Council gaining financially from transferring to a private operator, and the associated risks of higher costs/failure?

See above. The report explains that we are in ongoing dialogue with EA and officers will assess the risks associated with this potential temporary transfer before progressing (Rec 5 in the report)

9. Football pitches
10. Proposals here set out a sensible way forward.
11. Prices are mostly in line with comparable sites. However, the review points out that some are not. Will they be adjusted ? If so, what will be the financial benefit?

Rec 6 is to bring a further report which will include all the relevant factors including pricing schedules.

12. General

Given our recent difficulties with managing and earning from private operators at Council facilities (Golf, Catering, Leisure Centres) - business plans fail, circumstances change - should we not be more cautious about this model? Council still bears all the costs of monitoring, supporting, negotiating with, and replacing contractors and ensuring service delivery to the public. Are all these risks and costs factored into the proposals here?

Risk and costs are factors in any procurement exercise and are assessed as part of evaluations. Once in contract, risk management continues through robust contract management. That being said business will always carry risks whether the model is in house delivery or external operator. In the case of the leisure centre contract the council are significantly better off than the option of retaining in house both in terms of financial return and service provision