

Cabinet

Wednesday 11 May 2022

An additional meeting of the Cabinet will be held in the Town Hall, Royal Leamington Spa on Wednesday 11 May 2022, at 4.30pm and available for the public to watch via the Warwick District Council [YouTube channel](#).

Councillor A Day (Chairman)

Councillor L Bartlett

Councillor J Cooke

Councillor J Falp

Councillor M-A Grainger

Councillor R Hales

Councillor J Matecki

Councillor A Rhead

Also attending (but not members of the Cabinet):

Chair of the Finance & Audit Scrutiny Committee

Chair of the Overview & Scrutiny Committee

Green Group Observer

Liberal Democrat Group Observer

Labour Group Observer

TBC

Councillor A Milton

Councillor I Davison

Councillor A Boad

Councillor M Mangat

Emergency Procedure

At the commencement of the meeting, the emergency procedure for the Town Hall will be announced.

Agenda

1. Apologies for Absence

2. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be disclosed during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

Part 1

(Items upon which a decision by Council is required)

3. **Future Relationship with Stratford-on-Avon District Council**

To consider a report from the Chief Executive.

(Pages 1 to 11 and Appendices 1 to 2)

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For enquiries about specific reports, please contact the officers named in the reports. You can e-mail the members of the Cabinet at cabinet@warwickdc.gov.uk

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prior to the meeting, by telephoning (01926)
456114

Title: Future Relationship with Stratford-on-Avon District Council

Lead Officer: Chris Elliott (chris.elliott@warwickdc.gov.uk)

Portfolio Holder: Councillor Andrew Day

Wards of the District directly affected: All

Summary

This report identifies the immediate implications and associated decisions for revised working arrangements for the Council with Stratford-on-Avon District Council following the recommendation from the Leaders of both Councils to withdraw the request to merge and create a South Warwickshire District Council.

Recommendations to Council

- (1) That the formal submission to the Department for Levelling Up, Housing and Communities to create a South Warwickshire District Council, is withdrawn.
 - (2) That work on the full-service integration of teams across Stratford-on-Avon and Warwick District Councils is ceased.
 - (3) That work on the identification of sharing civic and office accommodation between Stratford-on-Avon and Warwick District Council is ceased.
 - (4) That the Council withdraws from the Joint Arrangements Steering Group.
 - (5) The arrangements for the Joint Management Team are ended and that the Interim Senior Leadership Team structure, as set out at Appendix 1 to the report, be approved for immediate effect, i.e., 12 May 2022.
 - (6) That the Council agrees to Andrew Rollins taking the Section 151 Officer role on an interim basis.
 - (7) That the Council agrees to Andrew Jones taking the Monitoring Officer role on an interim basis.
 - (8) To note that a further report setting out the proposed longer term management arrangements will come forward for consideration by the autumn of this year.
 - (9) To note that a further report on the overall consequences of the end to the merger process and the implications for the Council going forward will be prepared for consideration by the Overview and Scrutiny Committee and the Cabinet.
 - (10) To note the steps to advise and support staff especially those who had been in the first proposed service integration.
 - (11) That the Monitoring Officer be authorised to align the Officer Scheme of Delegation with the Interim Senior Leadership Team structure; and make any consequential amendments to the Constitution because of this report.
 - (12) To note that the work on the joint South Warwickshire Local Plan, Climate Change Action Programme and Joint South Warwickshire Economic Strategy will continue.
 - (13) That the Council approves the closing of the Service Alignment Reserve with the funding contained therein transferred to the Service Transformation Reserve.
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1 Background/Information

- 1.1 In early April 2022 Stratford on Avon District Council (SDC) informed Warwick District Council (WDC) that it would not consider the proposed Inter Authority Agreement (IAA) until an additional due diligence exercise on both Councils and on Milverton Homes was completed. A due diligence exercise of both Councils, which found no issues of significance for either Council including Milverton Homes, had been undertaken and completed by May 2021. This report was formally reported to both Councils in December 2021 but its contents and its recommendation to SDC was clear and known beforehand via the Joint Arrangements Steering Group (JASG). The issue of due diligence was not raised again by SDC until February 2022. Reference elsewhere externally has been made to an additional loan made by the Council to Milverton Homes for the Joint Venture with Vistry, but members should be aware that that the decision was taken by this Council in April 2021. Instructions had been issued by SDC in March 2022 to external consultants to undertake the work on Milverton Homes and by both Councils on the wider due diligence.
- 1.2 The signing by both Councils of the IAA was a necessary pre-condition to the implementation of the first service integration planned between the two Councils – this being for the Environment and Operation (E and O) Service Area. Member briefings for all Councillors on the IAA and associated joint governance arrangements had been undertaken on 30 March and 5 April in advance of the expected reports at both Council's forthcoming cycle of meetings. Completion of the IAA would not have been compromised by any outcome of the due diligence process.
- 1.3 The timetable for completing the due diligence process on Milverton Homes was complicated by needing to know what documentation the consultants required and then in the light of that requirement of the legal necessity of both the boards of Milverton Homes and of the Joint Venture of Milverton Homes with Vistry needing to agree to share the private and confidential information and requiring a Non-Disclosure Agreement (NDA) to be completed by SDC.
- 1.4 Regrettably this requirement meant that although the design for the service integration had been set out; was near the end of the staff consultation process; and was expected to be implemented in early to mid-May, a delay would have meant that the staff of both Councils involved would have been left in a position of stasis for an undetermined period. This was of concern given the uncertainty that had been created for all staff of E and O but especially for those where there was a direct impact on existing jobs.
- 1.5 WDC had initially proposed to still take IAA and Governance related reports to the April cycle of meetings as evidenced by the fact the reports were published; so that they could be signed when SDC was ready. However, on the morning of Tuesday 12 April WDC was informed by email that the SDC Leader was now proposing to send a letter to the Government asking that the merger process be paused until the due diligence process was complete. This meant that the WDC Leader felt obliged to withdraw the IAA and associated reports from consideration by the Scrutiny Committees that week and from Cabinet on 20 April.
- 1.6 At a meeting with the SDC Leader and Chief Executive on 14 April, the WDC Leader and Chief Executive were informed that the letter asking for the pause was going to be sent unilaterally if need be but that they hoped WDC would agree to such a pause.

- 1.7 The Leader of WDC stated that should the Leader of SDC write to the Secretary of State seeking a delay in the merger process to enable the completion of further due diligence that this would constitute an end to the merger process since it would place staff in a difficult position; would impact adversely on the reputation of the Councils with Government; and would damage trust between the Councils. The Leader of SDC did write such a letter that same day, therefore by default effectively ending the merger ambitions.
- 1.8 Following this meeting a joint statement was issued by the two leaders in which irreconcilable differences was cited as the reason to end the ambition of merging the two authorities. The full joint statement, attached at Appendix 2 to the report, included within this announcement was the following:
- *There is a significant difference between the approaches and ambitions of the two councils that have proved to be irreconcilable, and this means that a joint request, subject to Council approval, will now be made to the Government to stop the merger process.*
 - *It is anticipated that some of the joint working arrangements already put in place will continue, such as legal services and business rates collection. However, others including the Joint Management Team and the service integration programme will end.*
- 1.9 This report identifies the immediate decisions which will be required, should Council endorse the recommendations included within the joint statement. Given that the decision to submit a proposal to the Department of Levelling Up, Housing and Communities to merge both Councils was a Council decision. It does therefore require Council to rescind this decision.
- 1.10 In addition to the issues surrounding the submission of a merger request there are several consequential decisions that both the Cabinet and Council will need to consider and are contained within this report.
- 1.11 Senior officers from both Councils have met on several occasions to help determine proposals for future working arrangements, these discussions have been conducted positively. Where proposals are to continue with existing arrangements/decisions no agreement from Council will be required. However, for completeness this report identifies these areas.

1.12 **Council decisions and constitutional changes**

- 1.12.1 There are a few areas in which the Policy Framework and Constitution of the Council will need to be amended following the proposed decision above:

Proposal to Request a Merger of both Councils, Service Integration and Accommodation

On 13 December 2021 both Councils resolved the following:

That a formal submission to the Department for Levelling Up, Housing and Communities to create a South Warwickshire District Council, be made.

- 1.12.2 As discussed, the submission to request the creation of a South Warwickshire Council was made by Council. It is therefore only Council that can revisit this resolution.
- 1.12.3 In addition to the merger proposal, on 18 October 2021 both Councils resolved the following in relation to service integration and the principle of establishing joint office accommodation:

That irrespective of the decision relating to the full political merger of Stratford-on-Avon and Warwick District Councils (expected in December 2021):

1) Work is progressed on the full-service integration of teams across Stratford-on-Avon and Warwick District Councils; and

2) Work is progressed on the identification of sharing civic and office accommodation between Stratford-on-Avon and Warwick District Councils.

1.12.4 The joint Leaders Statement specifically stated that further integration of services would not progress. As this is the currently adopted policy position of Council again and would need to be revisited.

1.12.5 It should be noted that the decision to revisit the decision of Council is proposed to be made within 6 months from the original decision a motion of 10 Councillors is required to amend or rescind it.

1.12.6 Such a motion was received by the Chief Executive on 29 April 2022, this therefore allows for the matter to be considered by Council.

1.12.7 A Joint Cabinet Committee was established to oversee the development of the South Warwickshire Local Plan. It has been agreed that the work in relation to the development of the joint local plan should continue.

1.12.8 The Joint Cabinet Committee established by both Councils in February 2021 was designed to specifically make decisions and recommendations to each Council in relation to the emerging Development Plan. Given the desire to continue with the Joint Local Plan that this Joint Cabinet Committee should continue to operate, no changes will therefore be required at this time.

1.12.9 At the Council meeting in February 2022, Council adopted arrangements for the establishment of a Joint Appointments Committee and a Joint Appointments sub-committee. The proposals to remove these are discussed in a separate report owing to the need to agree other detailed changes that would be required to support this change.

1.12.10 Both authorities established a Joint Arrangements Steering Group. The purpose of this group was to oversee the preparation of the submission document and then to monitoring the implementation of the overall programme plan. It is therefore also proposed that this Group is also ended.

1.13 Management Team Arrangements/Portfolio Holder Alignment

1.13.1 It is proposed that both authorities will revert to separate Management Teams from 12 May 2022. This point was specifically addressed in the Leaders Joint Statement.

1.13.2 The Chief Executive, has developed interim proposals in consultation with the Council's senior managers for the Senior Leadership Team (SLT) and is set out at Appendix 1 to the report. This will be an interim arrangement pending a more detailed review to be completed by September 2022. A report will be brought forward on the longer-term management arrangements within this timescale.

1.13.3 The arrangements where Heads of Service are currently shared would end and they would all revert to their direct employing authority, thereby terminating the arrangements previously made under Section 113 of the Local

Government Act 1972. This includes the Head of Law & Governance who is currently the Monitoring Officer for Warwick District Council and there is a vacancy for the S151 Officer role which had been intended to be filled on an interim basis jointly by an SDC officer if Cabinet and Council agree to the recommendations.

1.13.4 It is proposed that Andrew Rollins who is one of WDC's deputy Section 151 Officers be appointed on an interim basis as S151 Officer and that Andrew Jones once again resumes the role as the Council's Monitoring Officer, supported in the existing deputy role by Graham Leach, with effect from 12 May. This interim period is likely to be at least until the end of the calendar year.

1.13.5 The roles and responsibilities of the individual Heads of Service will vary from the current arrangements. To ensure that the Council can still operate effectively, the Officer Scheme of Delegation will need to be amended. The proposed delegation to the Monitoring Officer does not seek to change any of the delegations it would just align existing ones to the appropriate officer.

1.13.6 Members should note that the interim structure includes a Head of Development Services for which there is no one in post. As an interim step the position is offered pending the longer-term review to internal candidates via an interview process.

1.13.7 Since the announcement there have been briefings with the Senior Managers; the service managers and a series of staff briefings. In addition, staff more particularly affected have been briefed with support and reassurance given. The CEO has also apologised to staff for them having been affected by the process without it leading to a conclusion. Officers continue to work with Unison who are fully briefed on the support for staff and the interim arrangements.

1.14 **Arrangements Proposed to Continue with SDC**

1.14.1 As discussed above it is proposed that several joint working arrangements between both Councils which were either existing or have been implemented recently should continue. These areas do not require Cabinet or Council approval but are included for completeness. These include the following:

- **Business Rates Administration** – these arrangements have been in place for c.15 years and work effectively. There would be no benefit to either authority in terminating these arrangements.
- **Information Governance** – the shared post arrangements allow the two Councils to share costs and again have worked effectively but will require a review in the light of the fact that their postholder is leaving though the principle of joint work continuing remains.
- **Joint HS2 Liaison Officer** – the two Councils have recently agreed to the appointment of a shared officer to oversee the applications submitted for the development of HS2 and general liaison. This arrangement provides financial savings for both authorities and is not regarded as contentious.
- **Legal Services** – this shared service went live on 1 April 2022. This new joint arrangement is scheduled to save a collective £150,000 per annum

which is shared between the two Councils. Encouragingly, senior officers and politicians from both Councils are committed to this continuing.

- **Climate Change** - as part of the existing Joint Management Team arrangements the Council receives support towards the Climate Change agenda. This is a shared policy priority for both authorities and it has been agreed that these arrangements should remain in place.

There are a small number of other posts covered by Section 113 arrangements which will need to be re-considered but these do not require urgent resolution.

1.15 Development of the South Warwickshire Local Plan (SWLP)/South Warwickshire Economic Development Strategy

- 1.15.1 As Cabinet will be aware, both authorities have been working together to develop a joint local plan. Such a move not only reflects the shared economic geography of the two districts but also leads to savings in the cost of commissioning the evidence base for the plan. Work on the joint SWLP commenced prior to the publication of the ambition for the two Councils to merge.
- 1.15.2 There are numerous examples where authorities have worked together on Local Development Plans without any plans to merge. Given the shared economic geography and the fact that climate, biodiversity, and infrastructure do not stop at the district boundary it is therefore proposed that both Councils continue with this joint initiative.
- 1.15.4 To support the important work of officers from both authorities it is also necessary to ensure that there is effective member oversight of the development of the SWLP. In that respect both the joint member Advisory Group and the Joint Cabinet Committee will continue. Decisions of the key statutory stages will still be made at their respective Councils and Overview & Scrutiny Committee still can review and scrutinise any proposal.
- 1.15.5 Complementing the development of the South Warwickshire Local Plan, officers from both Councils have been contributing towards the development of a South Warwickshire Economic Development Strategy. It is also recommended that this area of policy development should also continue, although there may be a difference in approach to any resultant action plans to support this strategy.

1.16 Joint Waste & Recycling Contract

- 1.16.1 The Cabinet will be aware that both Councils have committed to a contract with Biffa for a joint waste contract, initially for an 8-year period from 1 August 2022. The introduction of the new contract will provide for the introduction of the 123+ method of waste and recycling collection.
- 1.16.2 The contract for this service will continue as planned. The contract was tendered based on a single point of contact. Therefore, arrangements will need to be implemented between the two Councils for contract management purposes. This matter has been discussed at length by senior officers from both Councils and it is proposed that SDC will lead the mobilisation of the new contract and recover the relevant proportion of these costs from WDC.

- 1.16.3 In addition to the management of the contract, SDC's contact centre will continue to support WDC in respect of charges for the WDC Garden Waste subscriptions and residents' telephone enquiries in relation to the new waste and recycling contract. Again, all costs incurred in providing this service will be recovered from WDC. It is expected that this and the costs above will be formalised through a Service Level Agreement between the two Councils.
- 1.16.4 It should be noted that the livery of the vehicles will include the logos from both SDC and WDC. This is regarded as positive, as it underlines the fact that the two councils are still working together in several areas.

1.17 Other Matters

In addition to the matters discussed above there are a few other areas which need to be considered as follows:

Working Together Programme Team

- 1.17.1 The programme team was established to oversee the merger. The team comprises the Programme Manager and their assistant, both of whom are seconded from SDC posts. With the end of the merger, it will be necessary to disband this team and reintegrate the two officers into their substantive roles. Any cost of implementing these arrangements would be shared with SDC.
- 1.17.2 In addition to the Programme Team there were other appointments made in WDC's HR and Communications teams serving both Councils which will need to be amended and any cost of these changes will also need to be shared with SDC.

CCTV

- 1.17.3 There are current vacancies in the SDC establishment, and the CCTV Manager will be leaving the authority soon. Whilst several recruitment exercises have been undertaken it has proved impossible to appoint a replacement.
- 1.17.4 WDC has agreed to assist the service by providing the necessary supervision and management resources to allow the service to continue as a temporary arrangement until a review in December. Senior officers from both authorities agree that this work should continue. If this is not continued this would have serious implications for the continuity of SDC's service.

Budget

- 1.17.5 The Cabinet will be aware significant savings arising from working with SDC had been included within the approved Medium Term Financial Strategy (MTFS). The table below identifies the recurrent annual savings assumed:

	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000
Savings assumed	221	482	398	280	280

- 1.17.6 In addition to the assumed savings, costs of implementation for the period 2022/23 to 2024/25 of £900,000 pa in addition to the cost of the Programme Team and associated costs of £100,000 per annum till 2024 had been allowed.

- 1.17.7 Given that the assumed savings and costs of implementation will no longer be incurred as outlined in the last MTFS approved in February, an updated MTFS will be included as part of the Quarter 1 Budget Report on 7th July or 11th August. This will also include any additional costs incurred by WDC as part re-establishing its own independent structures. As Outlined within the Budget Setting 22/23 Report approved by Members in February 2022, the £900,000 p.a. was to be set aside within a newly established 'Service Alignment Reserve'. It is proposed that this reserve is transferred to the Service Transformation Reserve and will be used to support the approach going forward and allow the Council to establish its ongoing strategy.

Internal Audit Services

- 1.17.8 Work had started to be made for WDC to provide an Internal Audit Service to SDC. This has been reviewed by SDC and they have approached WCC, as their current provider, to continue with that provision. WDC officers have no objection to this proposal.
- 1.17.9 Detailed above are the immediate issues which have been identified in relation to the recommendation to withdraw the merger submission and cease service integration. A more detailed review report for the Overview and Scrutiny and the Cabinet Committees including a lesson learned exercise will be undertaken to assist with the development of the Council and any other future joint working initiatives and to be clear, open, and transparent about the consequences of the end of the merger process for this Council.

Joint Digital Strategy

- 1.18 Both Councils adopted a Joint Digital Strategy. The end of the merger process would mean that this will not be taken forward together but it is proposed that it is adapted for WDC to take forward as a key part of its new plan.

2. Alternative Options

- 2.1 The options available to the Cabinet are as follows:
- 2.1.1 Endorse the recommendations from the Leader contained within the joint statement and thereby formally withdraw the merger submission and the associated issues surrounding joint working.
- 2.1.2 Reject the recommendations from the Leader contained within the joint statement and thereby continue with the merger and the associated issues surrounding joint working.

3. Consultation and Members' comments

- 3.1 The Leader has considered and support the recommendations within the report.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 The main legal points are covered with the section 1 of the report. However, it should be noted there will be other aspects which will need to be considered in due course, such as any other officer subject to a section 113 agreement, reviewing and approving the arrangements in place for those service that will continue to be shared. These will be reported to Cabinet and/or Council in due course.

- 4.1.2 Regarding the specific recommendations, Members may find the following details provided by the Monitoring Officer to be helpful:

Recommendation 1

On 13 December 2021 SDC and WDC invited the Secretary of State to exercise his powers under section 15 of the Cities and Local Government Devolution Act 2016 to merge both Councils and create a new South Warwickshire District Council.

Section 15(4) of the 2016 Act prevents the Secretary of State from exercising his powers without the consent of both Councils. If one or both Councils resolves to withdraw their merger request, then this removes the power from the Secretary of State and ends the process.

Recommendation 4

On 17 February (SDC) and 23 February 2022 (WDC) both Councils resolved to establish a Joint Appointments Committee and a Joint Appointments Sub-Committee under sections 101 and 102 of the Local Government Act 1972. If one or both Councils withdraw from the arrangement, then those committees will be decommissioned.

Recommendation 7

On 22 February (SDC) and 24 February 2021 (WDC) established a Joint Cabinet Committee under section 101(5) of the Local Government Act 1972, as applied by section 9EB of the Local Government Act 2000 and by reference to the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012. This Committee will continue to operate in relation to the South Warwickshire Local Development Plan.

Recommendations 2 and 5

Joint service functions and shared staffing arrangements have been established by both Councils under section 113 of the Local Government Act 1972, whereby staff employed by one of the Councils are placed at the disposal of the other, and vice versa. Existing arrangements for the Joint Management Team would be terminated.

Recommendations 4 and 6

Section 37 of the Localism Act 2000 requires a local authority operating Executive arrangements to prepare and keep their Constitutions up to date, and these proposed changes will require the Monitoring Officer to make the necessary changes.

4.2 **Financial**

- 4.2.1 The Council was expecting to make significant savings from the proposed merger and service integration process with SDC, the values have been captured in para 1.11.5.
- 4.2.2 There have been benefits associated with the joint working to date and a schedule is being prepared to fully identify these and the recurring benefits that will be achieved through the joint working that will continue. It is expected that this will be published prior to the meeting of the Cabinet and Council on 11 May 2022.
- 4.2.3 The interim SLT structure is likely to be more costly than the previous joint arrangements. However, these will be accommodated by re-prioritising existing

budgets linked to the cost of implementation. The structure is an interim structure and will be reviewed by September 2022.

4.2.4 The Council will need to update its Medium-Term Financial Strategy and savings plan. This work will start immediately though as ever the Government's position on the financial settlement for local government will not come until much later in the year. It is expected that an initial update to the MTFS and savings programmes will be provided as part of the Quarter 1 Budget Report.

4.2.5 It has been agreed with officers at SDC that any costs associated from the disbanding of the South Warwickshire Programme Team and other support posts will be shared.

4.3 **Council Plan**

4.3.1 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the impact on the Council's strategy.

4.3.2 The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#).

4.3.3 The external impacts of the end of the merger process and the reinstatement of separate arrangements at this stage will have little impact on the Council's intended outcomes. In respect of internal impacts, the situation is different:

4.3.4 **People - Effective Staff** – the merger process has caused considerable anxiety and concern amongst staff especially those directly implicated by the first service integration. It is equally the case that it would have been irresponsible to have left staff implicated by the service integration process hanging in the air proverbially if a pause to the merger based upon further due diligence had been agreed. The task now will be to offer support and reassurance.

4.3.5 **Services – Maintaining or Improving Services** – the merger process was argued upon offering an opportunity to achieve significant level of savings whilst offering the best way to protect services. The Council's services are not presently in any danger because of the end of the merger process, but a new strategy will need to be developed on an urgent basis lest the financial risk undermine service provision. This work will begin immediately, and it is intended it will seek to change the Council in other ways that achieve the service outcomes but address the financial challenges in other ways.

4.3.6 **Money - Firm Financial Footing over the Longer Term** – the merger process was argued upon offering an opportunity to achieve significant level of savings whilst offering the best way to protect services. The end of the merger process therefore creates the risk that tackling the financial challenge whilst protecting services is not resolvable. The mitigation of this risk is to review the MTFS and the existing savings plan immediately and work upon new proposals.

4.3.7 The implicit approach to be taken is to never waste a crisis and to use the situation to generate a new energy and direction in the Council with a new plan of action – Future Forward - so it can continue to deliver the community's ambitions.

4.4 Environmental/Climate Change Implications

- 4.4.1 The proposal is to continue to work in partnership with Warwick District Council in relation to Climate Change, therefore there are no direct implications arising from this report.

4.5 Analysis of the effects on Equality

- 4.5.1 There are no direct impacts on equality arising from this report.

4.6 Data Protection

- 4.6.1 The Councils had data sharing agreements in place in respect of the transfer of information to enable operational services to work effectively. As a result of most of the joint working ending, both Councils need to ensure the agreements are followed to ensure any necessary personal data is either returned or disposed of in line with these agreements. The shared Information Governance Manager will be monitoring this point over the coming weeks to ensure it is concluded appropriately.

4.7 Health and Wellbeing

- 4.7.1 There are no direct impacts on Health and Wellbeing arising from this report.

5 Risk Assessment

- 5.1 There are several risks that the decision to cease the move towards the merging and integration of services these include:
 - 5.1.1 Reputational – both Councils have been actively advocating for the benefits which the creation of a South Warwickshire Council could achieve. Whilst a lot of the shared approaches to areas including development of the SWLP and economic growth will continue this decision will affect the credibility of both Councils for the worse.
 - 5.1.2 Financial – as discussed in the finance section both authorities had included significant financial savings in relation to the joint working. A review of the MTFS and the savings plan will be undertaken immediately to ensure that the Council can continue to deliver its objectives and its services.
 - 5.1.3 Staffing – the process of service integration was causing staff considerable anxiety and whilst this may be relieved by the ending of the merger process staff will also be anxious to know what happens next to the services and to their jobs in the context of the financial challenges that both Councils face.
 - 5.1.4 Service Delivery – While there is no immediate issue for service provision the risks are that given the rationale for the merger was to best help continue to deliver services then the cessation of the merger raises the risk to their continued deliver as is. In mitigation the review of the MTFS and the savings plan is required to draft a new plan of action – Future Forward, for Councillors to consider and determine.

6 Conclusion/Reasons for the Recommendation

- 6.1 This report identifies some of the immediate issues which have been identified because of the recommendation from the Leaders to terminate the ambition to merge the two authorities and to integrate services. Whilst this move will have a negative impact on planned budget savings it is proposed that later in 2022 the Council will have a plan of action to consider and determine.

Report Information Sheet

Please complete and submit to Democratic Services with report

Committee / Date	Cabinet 11 May 2022	
Title of report	Future Relationship with Stratford-on-Avon District Council	
Officer / Councillor Approval *required	Date	Name
Ward Members(s)		
Portfolio Holder	2/5/2022	Andrew Day
Financial Services *	3/5/22	Andrew Rollins
Legal Services		
Other Services		
Chief Executive	3/5/22	Chris Elliott
Head of Services	3/5/22	All WDC Heads of Service
Section 151 Officer	3/5/22	Andrew Rollins
Deputy Monitoring Officer	3/5/22	Graham Leach
CMT (WDC)		
Leadership Co-ordination Group (WDC)	2/5/2022	
Other organisations		
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Chief Executive - Chris Elliott								
			Programme Director for Climate Change - Dave Barber		Deputy Chief Executive & Monitoring Officer - Andrew Jones			
Head of ICT David Elkington	Head of Finance Andrew Rollins (interim) s151	Head of People & Communications Tracy Dolphin	Head of Community Protection Marianne Rolfe	Head of Development		Head of Culture, Tourism & Leisure Rose Winship	Head of Assets Steve Partner	Head of Housing Lisa Barker
Application Support Implementation and Support of business applications Mark Bayliss	Accountancy All Council Accountancy Services Andrew Rollins	People Corporate HR People Management Learning & Development Corporate Payroll Tracy Dolphin	Safeguarding CCTV & Emergencies Safeguarding Community Safety Team Elizabeth Young	Development Management Enforcement Land Charges Conservation Gary Fisher	Democratic Services Elections/Electoral Registration/Committee Registration/Councillors/FOI/Data Protection/Complaints/Civic Support/Corporate Support Team/Information Governance Graham Leach - Deputy Monitoring Officer	Arts Royal Spa Centre & Theatre Town Hall Royal Pump Rooms Art Gallery & Museum Arts Development David Guilding	Compliance Repairs & Maintenance Facilicities Simon Hodges	Housing Needs Homelessness and Housing Advice Private Sector Housing Disabled Adaptations Rough Sleeper Initiative Community Wellbeing Team Elaine Wallace
GIS Geographical Information Systems (GIS) Digital Mapping Services Local Land & Property Gazetteer (LLPG) Street Naming & Numbering Mark Barnes	Audit & Risk Corporate Fraud Investigation Corporate Insurance Internal Audit Risk Management Richard Barr	Communication Media & Communication Design Website Print Room Nicki Curwood	Environmental Health & Licensing Food Safety Health & Safety Licensing & Environmental Health Lorna Hudson	Building Control (Warwick, Rugby & Daventry) Phil Rook	Contract Services Refuse & Recycling Collections Parks & Open Space Maintenance Street Cleansing Off Street Parking & Rangers Zoe Court	Sports & Leisure Leisure Contracts Outdoor Sport Active Communities Ann Hill	Technical Technical Surveying & Contactors Andy Paul	Landlord Operations Landlord Services to Council Tenants, Collecting Rent, Estate Management, Ensuring Tenancy Conditions are Complied with Caroline Russell
Helpdesk & Technical Support Desktop Services including Helpdesk Lee Millest	Procurement Compliance with Legislation Support & Advice on Procurement Contracts Rebecca Reading			Policy & Projects Local Plan & Planning policy development Major sites implementation Corporate feasibility studies Economic Development Business Support & Events Phil Clarke	Green Spaces Green Space Strategy St Marys Land Wildlife Habitats Dave Anderson	Sports Programme Major Capital Sports Projects Padraig Herlihy	Senior Building Surveyor Russell Marsden	Housing Strategy and Development Housing Strategy, New Affordable Housing Developments inc Council House Building, Tenants Participation Sally Kelsall
Infrastructure Services Data centres, networks, telephony, server management Richard Bates	Exchequer Council Tax and Business Rates Rate Collection Sundry Debt Collection Corporate Invoice Payment Paul Town				Programme Team Development & Delivery of Major projects Ruth Hytch	Commonwealth Games Delivery of local Games venues Partnership working re Tourism & Business Infrastructure improvements Christina Boxer	 Internal Health & Safety (Vacant Post)	Business Development & Change Within Housing Service Paul Smith
Transformation Lead Tass Smith	Benefits & Customer Services Housing Benefits & Council Tax Reduction Customer Service Andrea Wyatt						Bereavement Services Oakley Wood Crematorium & Cemeteries Pam Chilvers	Milverton Homes

Future of the proposed merger between Stratford-on-Avon and Warwick District Councils

Subject to Council consent, the plans to merge Stratford-on-Avon and Warwick District Councils will not go ahead.

The Leaders of the two Councils have jointly concluded that, in the interests of residents and staff, the proposed merger cannot go ahead as anticipated.

The Leaders have issued a joint statement:

"Following a meeting between Council Leaders and Chief Executives on 14 April, Cllr Jefferson Leader of Stratford-on-Avon District Council wrote seeking a delay in the Government's decision on the proposed merger with Warwick District Council to allow for due diligence to be completed. The letter was sent without the agreement of Cllr Day Leader of Warwick District Council, who had been invited to be a co-signatory. It was understood by Cllr Jefferson that writing to the Government unilaterally seeking to extend the current period of uncertainty would end the Council merger process.

On 13 December 2021, both Councils formally agreed merger plans and submitted a proposal to Government requesting permission to form a new joint Council by May 2024. In advance of this key political step, Councillors received detailed advice, including an independent Financial Impact assessment. This Local Government Association report recommended that a supplementary review was commissioned by Stratford-on-Avon District Council in relation to a company wholly owned by Warwick District Council. Given that a response from Government was anticipated by the end of May in respect of the merger decision, Cllr Jefferson considered there to be a material risk that the further due diligence work would not be completed in time and if the Minister was minded to support the merger, there would be limited opportunity for Stratford-on-Avon District Council to withdraw at that point.

Cllr Day considered that the decision to merge had been made last December and that ongoing due diligence did not prevent the service integration progressing as planned. To ask Government to delay matters would create further uncertainty for all staff, especially those facing redundancy, and residents seeking assurances about local services. In Cllr Day's opinion, making a request for further delay would result in trust being undermined, making it untenable for the two authorities to further integrate services or merge. The Leaders jointly concluded that the proposed merger cannot go ahead as anticipated. There is a significant difference between the approaches and ambitions of the two councils that have proved to be irreconcilable, and this means that a joint request, subject to Council approval, will now be made to the Government to stop the merger process. Recommendations will be made to an Extraordinary meeting of Stratford DC, and the AGM at Warwick DC on 11 May 2022.

This is a disappointing outcome, but it should not mean the end for the positives that this process has generated; we have learned a lot and wish to carry on as good partners. It is anticipated that some of the joint working arrangements

already put in place will continue, such as legal services and business rates collection. However, others including the Joint Management Team and the service integration programme will end. Each council will continue to keep residents, councillors, and staff engaged in the process of updating our working arrangements.

Thank you for the many contributions and the positive commitment made to supporting the future of both councils."

Reports will be made to an Extraordinary meeting of Stratford DC and the AGM of Warwick DC on 11 May 2022, to propose their future direction and shared working arrangements.

These reports will also contain recommendations from both Leaders that the merger application made to Government (DLUHC) should be withdrawn.