



Agenda Item 4

Executive
11th February 2021

Title: Working Together with Stratford On Avon District Council

Lead Officer: Chris Elliott, Chief Executive,

Portfolio Holder: Councillor Andrew Day

Public report

Wards of the District directly affected: All

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: Yes

Included within the Forward Plan:

Equality Impact Assessment Undertaken: Not applicable at this stage

Consultation & Community Engagement: With Stratford on Avon District Council

Final Decision: Yes

Accessibility checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive	29.01.21	Chris Elliott
Head of Service	-	-
CMT	29.01.21	Andy Jones, Bill Hunt, Dave Barber
Section 151 Officer	29.01.21	Mike Snow
Monitoring Officer	29.01.21	Andy Jones
Finance	29.01.21	Mike Snow
Portfolio Holder(s)	29.01.21	Cllr Andrew Day

1. Summary

- 1.1 The purpose of this report is to seek recommendation to Council on the principle that further integration including a potential full merger with Stratford-on-Avon District Council be incorporated into the Policy Framework of the Council. The Executive is also requested to ensure that sufficient programme management resources are provided in order to take the programme forward.

2. Recommendations

- 2.1 That the Executive:

- (a) notes the the significant progress of implementing the decisions made in 2020 about closer working of the two Councils as set out at paragraphs 3.3 to 3.12 and including the organisational change policies to be considered by the Employment Committee on 23rd March 2021;
- (b) note that the Leaders of SD and WDC will, by the beginning of the new municipal year in May 2021, to align portfolio holder responsibilities; and
- (c) receive and note the report prepared by Deloitte (Appendix 1) setting out the high level business case of the potential financial and non-financial benefits of a merger of Stratford-on-Avon District Council and Warwick District Council.

- 2.2 The Executive recommended to Council that;

- (a) subject to the approval of Recommendation 2.1(b) above and that the same decision is made by Stratford-on-Avon District Council, that the following vision statement be approved: "To create a single statutory South Warwickshire Council covering all of the activities currently carried out by Stratford-on-Avon District Council and Warwick District Council by 1 April 2024."
- (b) subject to the same decision being made by Stratford-on-Avon District Council, the proposal to integrate all of the activities of each Council be approved, including the ambition of achieving a full merger by 1 April 2024 be agreed;
- (c) subject to the approval of recommendation 2.2(a) and 2.2(b) that the Chief Executives of both Councils are asked to prepare a submission to the Government seeking approval to achieve a merger by 2024, subject to a further report for approval by both Councils;
- (d) subject to the approval of 2.1(c), 2.2(a) and 2.2(b), that the Chief Executives of both Councils are authorised to prepare a Programme of Implementation (PI) to deliver the vision agreed at 2.4 above for consideration by Members no later than July 2021;

- (e) subject to the approval of 2.2(a) to 2.2(c) above, the sum of £100,000 pa from the Council for the period 2021/22 to 2023/24 be included within the Medium Term Financial Strategy and is funded from the Service Transformation Reserve to ensure that there is sufficient programme management resource to support the Councils through this transition process to a full merger;
- (f) a Risk Register including an exercise of full disclosure from both authorities is also prepared for consideration by Members alongside the Programme of Implementation (PI);
- (g) a Communication Plan for the Vision and Programme of Implementation (PI) for staff, partner agencies, the public and the business community is prepared and implemented;
- (h) the Programme of Implementation (PI), Risk Register and Communication Plan be overseen and monitored by a Steering Group of members comprising the Leader and Deputy Leader of both Councils and four other Councillors of both Councils representing the other political groups, with formal quarterly reporting of progress to each respective Cabinet/Executive;
- (i) the scale of change, benefits and risk (and mitigations) that this proposal involves for each Council be noted.

3. Reasons for the Recommendation

3.1 At the meeting of the Executive on 13 July 2020, the following recommendations were approved:

- (1) the joint statement issued by the Leader of the Council and the Leader of Stratford on Avon District Council (SDC) be endorsed, and in doing so:
 - i. a jointly commissioned review of local government across South Warwickshire and the wider Warwickshire County area, be agreed;
 - ii. the Leaders of this Council and of SDC invite all of the other Borough/District Councils in the County, Warwickshire County Council and the Warwickshire Association of Local Councils (WALC) on behalf of the town and parish councils, to participate in the review as equal partners;
 - iii. the Leader of the Council be the Council's nominee on a multi Council working party to steer the review;
 - iv. the Leadership Co-ordinating Group (i.e. all the Political Group Leaders and the Executive) act as Warwick District Council's internal steering group of the review and the joint work with SDC;
 - v. the brief for the review be delegated to the Chief Executive in consultation with the Leader and the Leadership Co-ordinating Group and the report be procured as a matter of urgency; and
 - vi. provision of cost for the review be made from a source to be determined by the S151 Officer (at the time of writing the cost has not been determined and will be affected by the number of Councils participating).

- (2) in the context of the joint statement, exploring with SDC in relation to the following, be agreed:
- i. sharing of Senior Management Team posts across the two authorities;
 - ii. exploration of shared contracts across the two authorities; and
 - iii. agreement be given in principle to conducting a Joint Core Strategy/Local Plan Review, and a further paper be presented setting out details of a proposed programme, a member and officer governance.

Further reports be presented to Employment and/or Executive on all of the items above as soon as possible;

- (3) £35,000 be provided from the Service Transformation Reserve to fund the Council's contribution to the joint study and for additional support in respect of communications; and
- (4) the Cabinet of the County Council be asked to reconsider its informal decision to commission a separate business case for a single unitary Council and instead, to participate in the joint study with the other Borough and District Councils to look at all options and to listen to the public's views.

Recommended to Council that:

- (1) the principle of joint working with SDC be included as part of the Council's Business Strategy; and
- (2) agreement(s) be entered into with SDC pursuant to section 113 of the Local Government Act 1972 and all other enabling powers so that employees can be placed at the disposal of the other Council's as may be required.

3.2 As was identified in the report to the Executive in July 2020 there are a number of reasons for further integration with Stratford-on-Avon District Council, these include:

- A strong political relationship between the two organisations;
- Recognised sense of place;
- Consistent geography already established for the South Warwickshire Community Safety Partnership, Shakespeare's England, and South Warwickshire Health Partnership;
- Single economic geography with significant number of residents, living in one district and working in the other;
- Increased effectiveness, efficiency and ability to deliver value for money by the two authorities;
- Ability to produce a joint spatial plan for South Warwickshire, which would set a clear footprint for the area and result in reductions in the cost of producing such a plan;

- Ability to have some further influence in relation to the Coventry & Warwickshire Local Enterprise Partnership through having an enhanced voice;
- Take advantage of current vacancies in management teams at both Stratford-on-Avon District Council and Warwick District Council;
- Ability to jointly commission contracts to obtain increased economies of scale.

Recommendation 2.1(a)

- 3.3 Since then the two Councils have together made significant strides across the piece to deliver this agenda. A series of updates follow which Executive is asked to note.

Update: Management Team Posts

- 3.4 Since this meeting further work has continued in relation to the sharing of management team positions. There are now joint roles across the two authorities in relation to the Head of Community and Operational Services/Neighbourhood position (SDC) and the Head of ICT (WDC).
- 3.5 The Employment Committee at its meeting on 16th February 2021 will be considering the sharing of further posts. This will be in relation to the Head of Financial Services (s151 Officer) position (WDC) and the principle that this becomes a joint post between the two authorities. Related to that though is a re distribution of some of the activities will be that both Council's Revenue, Benefits and Customer Service Teams will be line managed by the Head of Revenue and Customer Services post (SDC) and assets activities by the Head of Assets (WDC) bringing a total of five posts then effectively shared by the two Councils.
- 3.6 The WDC Programme Director of Climate Change is proposed to have his remit extended from the WDC area to also cover the SDC area and is to be considered at SDC's Employment and appointments Committee on 16th February 2021 and then lead the work on behalf of both authorities in respect of Climate Emergency. It is expected that the remainder of the Management Team posts will be shared by the middle/end of 2021; this will be subject to the necessary consultation and approvals at that time.

Update: Organisational Change Policy alignment

- 3.7 As a prelude to further staff integration both Councils will be considering an alignment to the following policies:
- Joint Organisational Change Policy Statement;
 - Joint Redeployment Policy and Procedure;
 - Joint Redundancy Policy and Procedure;
- 3.8 These policies and procedures will be considered by the Employment Committee on 23rd March 2021 and at Stratford-on-Avon District Council's Employment and Appointment Committee on 16th March 2021. Such joint policies will provide a consistent basis for the introduction of joint working across the two authorities. Alongside this will be monthly meetings of the CEOs and Union Representatives of both Councils to ensure that staff are engaged, involved and informed continuously.

Update: Organisational Benchmarking with recently established Super Districts

- 3.9 On 1 April 2019, three super districts in England came into being, namely Somerset West and Taunton; East Suffolk; and, West Suffolk. Given there are three recent precedents, research on their background; their achievements; and, the means of implementation has proved invaluable to officers to better understand what needs to be done and to identify issues to avoid.
- 3.10 Somerset West and Taunton published recently an audit report on lessons learned which is particularly valuable information ([the link to report can be found here](#)). Both SDC/WDC Chief Executive Officers have also met (virtually) the CEO of East Suffolk which is the closest in population size to what a South Warwickshire Council would be when created (250,000 compared to a South Warwickshire current size of 273,000).

Update: Shared Contracts

- 3.11 In relation to the proposal of joint contracts, both authorities have now approved the approach to jointly procure the next Waste Management Services contract on a consistent approach to service delivery. This was approved by SDC's Council at its meeting on 14 December 2020, and this Council similarly agreed the process at its meeting on 17th November. The tendering of this service has already commenced with the new joint service anticipated coming into operation in 2022. This sits alongside both Councils also investing in the proposed sub regional Materials Reclamation Facility (MRF).

Update: Joint Core Strategy/Local Plan

- 3.12 Both Councils have agreed a more detailed paper on preparing a Local Plan for South Warwickshire. Proposals are considered separately on this agenda on how the proposed governance will work for this area of work.

Recommendation 2.1(b)

Political Alignment

- 3.13 To assist the process overall it is proposed that the Leaders of both Councils bring forward proposals for aligning the service portfolios on each Council.

Recommendation 2.1(c)

Study on Integration/Merger with Stratford-on-Avon District Council

- 3.13 It is evident that shared working with Stratford-on-Avon District Council will provide financial benefits that will enable both authorities to preserve valuable public services whilst the budgets of both organisations are under severe financial stress, mainly caused by the implications of the COVID pandemic.
- 3.14 However, in order to help fully evaluate the options available to the two authorities, Deloitte's have been commissioned (by Warwick District Council) to undertake a review of the financial and non-financial benefits of further integration, up to and including the possibility of a full merger between the organisations. The result of their review is attached at **Appendix 1**.

- 3.15 This review is an independent report from Deloitte, however, information and detailed discussions were undertaken following interviews with the Chief Executives and Deputy Chief Executives from both authorities along with the respective Chief Financial Officers. It is recommended that the report be received and noted.

Recommendation 2.2(a)

Conclusions of the Study

- 3.16 The clear recommendation from Deloitte is that in order to achieve the maximum potential financial and non-financial benefits for the residents of South Warwickshire a full merger of the two District Councils should now be considered. As mentioned above this approach has most recently been implemented in parts of Somerset and in Suffolk as referred to in paragraph 3.8 above.

- 3.17 In relation to the expected financial benefits which could be derived from a merger of the two authorities, the report concludes:

"Merging the two Councils could support local government in South Warwickshire to deal with the significant financial challenges it faces.

The imperative for resolving the financial challenges is to ensure that local government can continue to deliver or improve services for local communities. Making financial savings from creating efficiencies and removing duplication supports this goal.

In this context a financial assessment has been carried out of the potential costs and benefits. This has found a potential opportunity to generate annual net savings of £4.6m after Year 5. This saving represents a 3.9% reduction in the current combined gross expenditure of both Councils.

Savings have been identified from rationalising the executive teams and the number of Members of both Councils, and also making efficiencies from bringing services together through jointly commissioning contracts or removing duplication in staffing. There are clear opportunities in a variety of areas.

Costs will be incurred in delivering the transformation such as change costs and potential redundancy payments (although this would be minimised through natural turnover as far as possible)."

- 3.18 Section 4 of the Deloitte report provides more details surrounding the potential financial benefits, it is expected that these will total £4.6m over the next five years made up as follows:

	Area	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
Costs (£'000s)	Change Costs	200	200	200	0	0
	Redundancy Costs	0	143	369	227	227
	Total Costs	200	343	369	227	227
Savings (£'000s)	Management Team savings	(305)	(611)	(611)	(611)	(611)
	Service Optimisation	(0)	(0)	(1,261)	(2,521)	(3,782)
	Democratic Savings	(0)	(0)	(0)	(172)	(172)
	Total Savings	(305)	(611)	(1,872)	(3,304)	(4,565)
Net Annual (Saving) / Cost		(105)	(268)	(1,302)	(3,077)	(4,338)

- 3.19 In relation to the perceived non-financial benefits arising from such a merger these are explored in detail at section 5, and are summarised as follows:

"The super-district would better reflect place and economic geography. It would represent a recognised place in South Warwickshire built around the towns and the key transport routes of the M40 and the Chiltern rail line. There is a consistent geography already established for the South Warwickshire Community Safety Partnership, the Shakespeare's England tourism organisation, and the South Warwickshire Health Partnership. Residents of the South have consistent needs and concerns around areas such as rural transport, traffic and congestion and affordable housing. The super-district could speak up for the interests of the place and the discrete local communities within it, creating a stronger, unified voice than currently exists, and ensuring the place's voice is heard at a strategic level. It would also maintain local political leadership and accountability which will enable engagement with residents and support local decision making.

The super-district could support local government in South Warwickshire to deal with the significant economic challenges it faces by creating stronger services such as an aggregated planning function with one local plan that delivers for residents and business. Merging the Councils would also create a more powerful voice for the South Warwickshire economy that can work within and influence existing partnership organisations and structures such as the West Midlands Combined Authority (WMCA) and the Coventry and Warwickshire Local Enterprise Partnership. Within the WMCA, when Gross Value Added (GVA) is examined, the proposed South Warwickshire economy is the second biggest, second only to Birmingham.

The super-district could improve service delivery across South Warwickshire through delivering economies of scale and making reinvestments in services to drive innovation. It could assess the variation in performance and cost of delivery of services across both Councils, and under a single management structure, deliver greater performance consistency by applying best practice and reducing variation. It could strengthen its managerial and senior leadership, as larger councils are more likely to be able to offer a better compensation package and varied career opportunities. There would also be the opportunity for the super-district to review areas where different services are provided by the two Councils and consider whether expanding services across the footprint may be advantageous. For example, the super-district may consider the future position on the Housing Revenue Account and associated housing service, and arts and culture service delivery."

- 3.20 Alongside the potential benefits the report also identifies the risks and dis-benefits that may arise from a merger of the two authorities. These are shown in detail; it is the view however that the risks can be mitigated and so the very clear benefits outweigh the potential risks given the opportunity for mitigation.

- 3.21 The overall conclusion of the report is shown on page 7, which states:

"This high-level business case has found a strong strategic, financial and operational case for merging the two Councils.

Such an initiative would have risks that could lead to dis-benefits, but these risks could be managed through an effective implementation approach.

Should the two Councils decide to proceed with this initiative, substantial further planning and due diligence should be undertaken to establish a detailed implementation plan."

- 3.22 It is a recommendation to Council therefore that subject to Stratford-on-Avon District Council also confirming agreement that the Council commit to seeking a full merger to create a new single statutory council for South Warwickshire by 2024.

Recommendations 2.2(b) and 2.2(c)

Vision

- 3.24 To clarify the objective the following is proposed as a clear statement or vision for the two Councils to work toward.

To create a single statutory South Warwickshire Council covering all of the activities currently carried out by Stratford-on-Avon District Council and Warwick District Council by 2024.

- 3.25 It is legally possible for two District Councils to merge, this is covered by section 8-10 of the Local Government and Public Involvement in Health Act 2007. Government would have to determine any application and it would be appropriate that the individual Councils would need to resolve. 2024 is suggested as a challenging but reasonable deadline bearing in mind the statutory processes that have to be completed to enable a new Council to come into being. Existing legislation allows new Councils to come into being only on the 1 April of any one year. The Deloitte report summarises the steps involved.
- 3.26 It is clear from public statements that the Minister of Housing, Communities and Local Government (MHCLG) is supportive of the concept of District Councils merging. However, it would still be necessary for a formal submission to be made from the two authorities to central government and for this to command local support.
- 3.27 Subject to agreement to the recommendations 2, 3 and 4 of this report then it is further recommended that the respective Chief Executives commence work in relation to the development of formal submission to this end. When such a submission is complete this would require the approval of Full Council before being made to the MHCLG.
- 3.28 In 2019 a statement made by the Secretary of State for Housing, Communities and Local Government included the following:
*"Locally-led changes to the structure of local government, whether in the form of unitarisation or **district mergers**, can – with local support – be an appropriate means of ensuring more sustainable local government and local service delivery, enhanced local accountability, and empowered local communities. This statement today continues the Government's commitment to supporting those councils that wish to combine, to serve their communities better and will consider unitarisation and mergers between councils when locally requested."*
- 3.29 As stated above any application to Government for the merging of authorities would need to identify that the proposal had local support. Therefore, as part of the development of any submission full consultation with the public, businesses and other local stakeholders will be required.

Recommendations 2.2(d) and 2.2(e)

Programme of Implementation

- 3.30 If the Council is supportive of recommendations 2.3, to 2.6 to merge the two organisations it is proposed that the following next steps are pursued:
- The CEOs of both Councils develop a detailed Programme of Implementation (PI) to identify the steps that will be required to be completed including:
 - Management - Integrate the two Senior Management Teams;
 - Services - Integrate teams below Senior Management Teams following appointment of individual Joint Heads of Service;
 - ICT – Programme on integrating and simplifying ICT systems;
 - People - Harmonisation of staff terms and conditions and all other business systems;
 - Procurement - Development of programme of joint procurement;
 - Assets - Identification of future accommodation and other service requirements, providing opportunity to dispose of both Elizabeth House and Riverside House;
 - Democratic Governance - Review of Corporate Governance arrangements and undertaking a review of both the number of Councillors and of ward boundaries;
 - Culture – Creating a new single authority Staff and Councillor culture and ways of working;
 - Finances – Harmonising of Council finances especially determining an approach to Council Tax and fees and charges;
 - Strategy – Creation a single corporate strategy/business plan in the run up to and after a new single authority is created;
 - Communications – a plan for all stages for all audiences to make sure everyone is well informed at the same time.
- 3.31 Given the need to make progress speedily it is proposed that the PI be prepared for consideration by Members by the end of July 2021.
- 3.32 The scale and scope of work involved is such an undertaking it is recognised within the Deloitte report that such a change programme would need to be properly supported and resourced. This is fully supported by the experience/evidence from the three recently created super districts and has in particular been evidenced in the audit report on lessons learned from Somerset West and Taunton and from the experience of the CEO of East Suffolk. It is therefore recommended that the appointment of Programme Manager and independent HR Support be made to support the Councils senior managers in this transition process. The LGA has indicated that they would be in a position to support some of these costs, however, it is suggested that budgetary allowance of £100,000 per year for 3 years is made by both Councils.

Recommendations 2.2(f) and 2.2(g)

Risk Register and Communication Plan

- 3.33 Alongside the PI it is proposed that the risk register set out in the Deloitte Report is expanded to become a much more detailed risk register. However, it is worth noting the significant risk that whilst the Councils are permitted to make such an application for merging this would still require a Government decision. The decision was to support such mergers of Taunton Deane & West Somerset to create Somerset West and Taunton and the merging of authorities to create both East and West Suffolk. However, the proposal to merge West Devon and South Hams went as far as a formal vote but was rejected by one of the Councils in October 2017 even though the two Councils operated one joint staff team then and still do.
- 3.34 A recent Parliamentary Briefing Paper in relation to Local Government Structures has been published and this provides further details on such mergers. This is attached for information at Appendix 2.
- 3.35 It is accepted that there would be a number of specific risks that would need to be mitigated in relation to any proposed merger. Within the Deloitte report there are a number of risks identified along with the proposed mitigating actions. It is recognised that there could be a perception of remoteness from the new organisation, however, through expanding initiatives such as SDC's Parish and Partners this should be easily overcome.
- 3.36 From experience any change programme depends upon good and effective two-way communication. This will be important with the local resident and business community and with other partner agencies. The two-way nature is important so that in creating a new authority a variety of interests can be taken into account in helping to form it. It is therefore also recommended that a communication plan be prepared, implemented and monitored.

Recommendation 2.2(h)

Monitoring Progress

- 3.37 Progress on the PI, the risk register and the Communications Plan will be regularly reported to both Councils but it is proposed that more detailed oversight is given by a Steering Group of members comprising the Leader and Deputy Leader of both Councils and 4 other Councillors of both Councils representing the other political groups, with formal quarterly reporting of progress to each respective The Cabinet/Executive. This will be supported by the CEO and Deputy CEO of both Councils and the Programme Manager.

Recommendation 2.2(i)

Scale of Change

- 3.38 The proposal for merging the two Councils is of a very significant scale. As the report from Deloitte makes clear it will be a change which is significant for every single aspect of both Councils, including that of the public, businesses, staff, contractors and members. Whilst the benefits of the merger have been made clear by the work completed by Deloitte; in making the decision to go forward it is important that the decision is made on an "eyes wide open" basis and so it is proposed that the scale of change involved is acknowledged.

4. Policy Framework

4.1 Fit for the Future (FFF)

- 4.1.1. 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 seeks approval of a high level business case to merge with Stratford on Avon District Council which will enable the Council to help achieve its vision and the implementation of its Key Projects.
- 4.1.2. 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](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2 FFF Strands

4.2.1 External impacts of proposal(s)

The proposal will enable the Council to be better able to deliver positive outcomes for all of the 3 externally facing strands:

People - Health, Homes, Communities - Improved health for all; Housing needs for all met; Impressive cultural and sports activities; Cohesive and active communities.

Services - Green, Clean, Safe - Becoming a net-zero carbon organisation by 2025; Total carbon emissions within Warwick District are as close to zero as possible by 2030; Area has well looked after public spaces; All communities have access to decent open space; Improved air quality; Low levels of crime and ASB.

Money- Infrastructure, Enterprise, Employment - Dynamic and diverse local economy; Vibrant town centres; Improved performance/productivity of local economy; Increased employment and income levels.

4.2.2 Internal impacts of the proposal(s)

The proposal will enable the Council to be better able to deliver positive outcomes for all of the 3 internally facing strands:

People - Effective Staff –All staff are properly trained; All staff have the appropriate tools; All staff are engaged, empowered and supported and that the right people are in the right job with the right skills and right behaviours.

Services - Maintain or Improve Services - Focusing on our customers' needs; Continuously improve our processes and Increase the digital provision of services.

Money - Firm Financial Footing over the Longer Term - Better return/use of our assets; Full Cost accounting; Continued cost management; Maximise income earning opportunities and Seek best value for money.

4.3 Supporting Strategies

There are no directly applicable supporting strategies in relation to this proposal.

4.4 Changes to Existing Policies

4.4.1. There are no changes to existing policies proposed within this report though the outcome of the report if agreed is that policies across the piece will change in some shape or form. Of immediate interest will be the organizational change policies referred to earlier in this report which will come to the Employment Committee for consideration.

4.5 Impact Assessments

4.5.1. There are no direct or indirect impacts on equality issues arising from this report, but individual proposals for an alternative method of service delivery would examine these in detail.

5. Budgetary Framework

5.1 The potential financial benefits of further integration with Warwick District Council are identified within the Deloitte report. Whilst a significant level of saving can be achieved through sharing of services, the larger gains are achieved through the full merger of authorities.

5.2 Without a merger of authorities there would still be two sovereign entities which would be served by a single unified workforce. This could lead to diseconomies through the pursuance of different policy objectives and approaches. There would also be consequential savings in areas such as audit and governance for the benefit of the two authorities.

5.3 The report requests a budget of £100,000 pa for three years to help oversee the implementation of the proposed merger. This is proposed to be funded from the Service Transformation Reserve for which provision has been made within the report on the Budget, also on this agenda.

5.4 It should be noted that the budget proposals approved by the Executive for consultation included the following savings through working with Stratford on Avon District Council.

2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
390,000	530,000	555,000	280,000	280,000

5.5 The report from Deloitte’s provides assurance that the level of savings assumed within the Medium Term Financial Plan are reasonable given the possible total level of savings of £4.565m across the two authorities.

6. Risks

- 6.1 There is a full analysis of the risks associated from this proposal contained within the report at paragraphs 3.33 to 3.36. In addition, section 6 of the Deloitte report identifies the possible risks of such a proposition, this section also provides recommendations on overcoming such potential risks.
- 6.2 If Council support the recommendations it is proposed that a joint Risk Register in relation to this project be prepared and monitored.

7. Alternative Option(s) considered

- 7.1. As an alternative to the proposed recommendations Members could decide that they wish to proceed no further than the current levels of joint working or indeed even to reverse them but this would have considerable adverse impacts on the Council both in service delivery and in longer term financial sustainability which itself would prove detrimental to service delivery going forward.
- 7.2. Members could also decide that they may wish to proceed but not agree to a full merger. Whilst this would deliver some benefits the benefits would not be as great as a those delivered by a full merger. Members will in any case be required to consider a fuller report on the decision for a merger.