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Working *Together*



Working *Together*

# Proposal for a new South Warwickshire District Council

Prepared by Warwick District Council  
and Stratford-on-Avon District Council

This is a proposal to create a new District Council  
for South Warwickshire by merging Warwick  
District Council with Stratford-on-Avon District Council.



*We believe that our area is best served by ambitious proposals that meet our area's needs, best serve local people and allow us to tackle our challenges and priorities head on. Our proposal meets all of the relevant criteria and commands local support.*

*We share the political will to level up South Warwickshire and tackle the climate emergency. We also need the right structures to deliver."*



**Cllr Andrew Day**

Leader of the Council  
Warwick District  
Council



**Cllr Tony Jefferson**

Leader of the Council  
Stratford-on-Avon  
District Council

## This proposal will:

- ✓ Improve the area's local government and enhance the role of towns and parishes in partnership with the new district (**page 4**);
- ✓ Command local support, in particular the merger is proposed by both Councils which are to be merged and there is evidence of a good deal of local support (**page 10**); and
- ✓ Cover a credible geography, consistent with all government requirements (**page 12**).

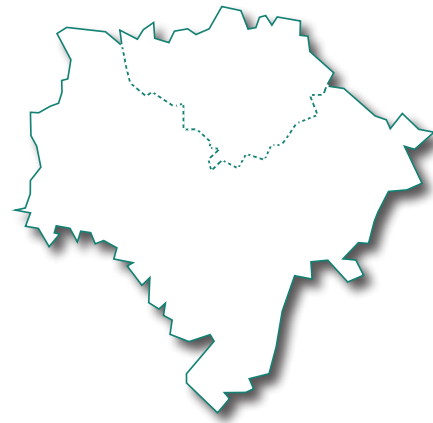






# A new Council for South Warwickshire

South Warwickshire is a unique area with shared opportunities and challenges. We are home to iconic cultural sites, have a shared housing market and a single economic geography, with the second-largest gross value added (GVA) in the West Midlands Combined Authority.



Our two Councils are working together to address our shared long-term financial challenges. By 2025/26 we will have a combined deficit of £9m a year – almost one third the cost of both Councils. This is not sustainable, and greatly limits our abilities to level up, rebuild from the COVID-19 pandemic and address our future challenges, from climate change to our ageing population.

Our proposed merger builds on strong joint working arrangements. Our joint working will save £200,000 this year, and £400,000 per annum by 2023/24. We have introduced a new joint refuse and recycling service, we are developing a joint Local Plan and Economic Strategy for South Warwickshire and have developed a joint Climate Change Action Programme. We cooperate through the Shakespeare's England Destination Management Organisation, our Community Safety Partnership, and the South Warwickshire Place (Health) Partnership where we are recognised as an individual place in the emerging sub-regional Integrated Care System.

This proposal seizes the opportunity set out by the Government that "district councils may wish to propose merging as a natural next step following a number of years of successful joint working, sharing of services and senior management teams". We feel that we perfectly meet this description and our proposal sets out how this merger will improve the area's local government, commands local support, and corresponds to a credible geography.

# Benefits of South Warwickshire working together

## Our proposal will deliver

### Financial stability

A detailed analysis conducted by Deloitte has identified the opportunity to make annual net savings of £4.6m, after year five of a merger. These savings will be realised through reducing duplication in executive teams, elected members and staffing; extending joint commissioning and rationalising property.

### A more effective Council

The new organisation will be:

- more flexible and resilient;
- a more attractive employer;
- able to bring more specialist services in-house, that cannot be justified at current scale;
- better able to innovate and implement best practice;
- communicate a clear cultural shift.

### Stronger accountability

By aligning the new Council with services which in many cases are already delivered jointly, we will create clearer political accountability. The new Council will also have a clearer and more visible leadership with a stronger strategic voice, enabling it to act more decisively, demonstrate impact and be held accountable. Joint working on issues which affect the whole of South Warwickshire is not currently aligned with clear democratic accountability. The new Council will be a stronger partner for our parish and town councils.

### Tackle climate change

Both Councils have signed off a joint climate change action plan which ensures that the merged Council will be net zero within a year of its first elections.

### Economic growth

The new authority will better reflect the local economy and will be in a stronger position to support businesses and jobs and to deliver on the Government's levelling up ambitions.

### A stronger voice nationally and regionally

South Warwickshire has the second highest GVA within the WMCA, after Birmingham. Despite having a single economy, housing market and shared assets, our influence is diluted across two Councils.

### A strategic approach to housing and planning

We will be able to act more strategically on planning to unlock greater housing and employment development, and will extend council housing provision across the area of the new authority.

### Levelling up - better outcomes for residents and businesses

The new Council will provide more consistent, more accessible and more focused customer and community services to maximise the opportunities for our residents and businesses to benefit from our activities.

### More joined up local government

The new Council will align more effectively with existing South Warwickshire partnerships, for example on community safety and health and wellbeing.





## Our future opportunities



## Delivering our opportunities

South Warwickshire provides a wide range of opportunities that a new merged Council is better placed to deliver. These include diversifying and greening the local economy; meeting development needs; and enabling appropriate infrastructure to support and grow our communities, and provide the best possible living standards for all our residents. A South Warwickshire District Council would make these opportunities real by:

### Tackling climate change

Contributing to Net Zero Carbon by adapting to and mitigating against the effects of climate change demonstrated by rising temperatures.

### Promoting wellbeing

Enabling everyone to enjoy safe and healthy lifestyles with a good quality of life.

### Supporting communities

Ensuring that communities are physically and digitally connected, are accessible and that social and community networks and groups are supported to maximise their potential.

### Increasing biodiversity and environmental quality

Strengthening green and blue infrastructure, and achieving a net increase in biodiversity, and higher environmental quality generally, across South Warwickshire.

### Supporting vibrant centres

Responding to the changing roles of town centres given the growth in internet shopping, and in the context of emerging from the COVID pandemic to ensure they are vibrant and distinctive.

### Building better places

Ensuring that the needs of local residents are reflected in the the design of new development to create great buildings, places and spaces that are of a high quality, and which respect the setting of our towns and villages.



### Job opportunities

Accommodating the growth in employment opportunities that build upon our strong and diverse economy, including innovative industries and technologies, embracing the potential of the green economy. We will work with employers and Schools, Colleges and Universities to ensure that local people have the skills and training to benefit from the job opportunities.

### Providing infrastructure


Increasing and improving access to sustainable and active travel options that connect neighbourhoods to centres, places of work, cultural facilities and green spaces and the countryside, and ensuring that the infrastructure needed to support the growth in new homes and jobs is secured through new development.



# Tackling the climate emergency

Both Councils have adopted a joint Climate Change Action Programme with three key ambitions:

1




Net Zero

**Net Zero Carbon Council 2025**

To ensure the South Warwickshire District Council is net zero carbon within a year of its first elections and that services provided through contractors include carbon reduction targets to deliver net zero by 2030.

2




CO<sub>2</sub>

**Low Carbon South Warwickshire 2030**

To reduce net carbon emissions from across South Warwickshire by a minimum of 55% by 2030 and alongside this, plan how to further reduce carbon emissions to net zero by 2050.

3



**Adaptation 2050**

By 2050 to enable our environment and communities to have adapted to the potential of at least a 3 degrees rise in global temperatures by 2100.

# Working with towns and parishes

South Warwickshire has strong local community governance with 145 town and parish councils across the area. They vary in the type and levels of activity they are involved with, due mainly to the variations in the communities they serve, from larger towns to smaller villages.

We are committed to engaging positively with our towns and parishes, ensuring that they are consulted on matters of interest for their community, including local planning decisions and local services.

We will work in partnership with the Warwickshire Association of Local Councils to develop new opportunities to work closely with towns and parishes, building on the Local Councils Agreement and the Parish Councils Champions role. We propose to begin work now to undertake a community governance and function review. Where appropriate, considering the wishes of towns and parishes, their governance and capacity, we will support them to develop new opportunities. We are keen to support those that have gained the 'Quality Parish' mark to continue to develop their roles, building on the strong governance they have in place.

Working with towns and parishes will enhance our aim for the South Warwickshire District Council to be close to all our communities, at the heart of which is the role of our own elected members, representing local wards and providing a link and a voice for all our towns and villages.



Both Councils have specific budgets – the Warwick Climate Action Fund and the Stratford Climate Change Budget. However, despite this there are a significant number of proposals in the Climate Change Action Programme that remain unfunded. The merger will support resourcing the Action Plan in the following ways:

- By moving the new authority onto a sustainable financial basis, more resources will be available for strategic priorities such as tackling climate change
- The new authority will be a more effective partner, better able to leverage resources through joint working with other organisations
- The new Council will be in a stronger position to secure and make effective use of grant funding.





# Financial case

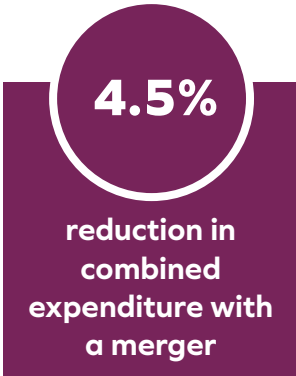
Both Stratford-on-Avon District Council and Warwick District Council face significant financial pressure. We have already delivered significant savings through our joint work, and a merger will allow us to take this further, achieve the savings that are required and deliver against strategic priorities.



## The financial challenge

Both Councils will have an annual deficit of between £3m and £6m by 2025/26-this equates to £9m a year – almost one third of the total cost of both Councils. This is not sustainable. Financial reserves can help with short term challenges but this is a fundamental challenge that must be addressed.

This financial challenge reflects the reduced funding position for local government and increasing service delivery costs, as well as increased demographic pressure related to an ageing population, increase in the number of people with disabilities and a greatly increased school age population. There has also been the shorter term impact of the COVID-19 pandemic which has reduced available reserves through necessary increased expenditure and loss of income.



## Financial benefits of the merger

Deloitte conducted analysis indicating that creating a single District Council across South Warwickshire could deliver a level of savings. Further to their report, we have done some further work and believe we can deliver annual recurrent savings of £5.3m after five years. This represents a 4.5% reduction on current combined gross expenditure.

This does not include further savings which may be delivered through future service improvements.

### Cost benefit analysis

Implementation costs of £4.5m have been estimated over 3 to 4 years. This includes, support for the change management, redundancy costs and pay protection. This contrasts with the £5.3m ongoing savings that will be achieved by year 5. Payback will be achieved by 2025/26.

### Council tax harmonisation

The current discrepancy in precepts between the two Councils is £27.74, £144.12 for Stratford-upon-Avon and £171.86 for Warwick for a Band D property.

The new authority will have to make decisions relating to the harmonisation of council tax, balancing the overall financial position of the new Council with the impact on council tax payers. The new Council would have up to seven years to harmonise council tax for all residents.



## Management team savings

Work has already been undertaken to put in place a single shared management team with 12 shared Heads of Service. This will progress to 10 Heads of Service and only one Chief Executive. This approach is calculated to deliver annual savings of £560k per annum from 2023/24 onwards.



## Governance savings

Bringing the two Councils as one legal entity has been estimated by work commissioned from the LGA to directly save £300k per annum. This step provides an opportunity to reduce direct costs associated with preparing and auditing accounts; rationalising election arrangements; and other constitutional duplications; as well as unlocking more hidden and indirect costs.



## Service optimisation

Deloitte have identified potential annual service optimisation savings of £3.8m in the following areas:

- Reducing duplication
- Joint commissioning
- Increased ability to drive transformation
- Harmonisation of fees and charges
- More opportunity for innovation

Some of these savings will not be achieved until years 3 and 4.



## HQ accommodation savings

The two Councils' HQs cost a total of £1.2m a year to run. Using only one and smaller premises in the context of Hybrid working would substantially reduce this cost by half at least. It would also reduce CO<sub>2</sub> emissions and enable other objectives to be met.

For more information, please see Appendix [x - Deloitte] and Appendix [y - LGA]





## Community support



There is widespread acceptance amongst residents of the need for change in response to the challenges being faced by Warwick District Council and Stratford-on-Avon District Council. 82% of the survey and 70% of the consultation questionnaire respondents agreed that change is required.

The extensive consultation exercise conducted by Opinion Research Services found support for the proposed merger, on the basis it would provide an opportunity to safeguard service provision in the face of financial challenges, reduce duplication and result in a stronger and/or more influential authority.

Based on the findings from the weighted and representative residents' survey, an absolute majority of the general public across the two districts, and of organisations responding via the questionnaire, agreed with the proposal, evidencing a good deal of support for the merger.

*"In the long term, I think it would be a lot better if there is one... you've got areas that border each other, and it would bring it all together on a parity getting the same consistent services hopefully ... I think it's very achievable to have a single Council for South Warwickshire."*

Local resident

**57%**  
of respondents to  
the residents' survey  
agreed with the  
proposed  
merger

## Wider local support

Through the consultation and engagement with our local communities, we have gathered a range of views from staff, businesses, local health partners and the local university. This has been an invaluable exercise to gather an understanding of their perspectives and particularly the concerns that we will now be able to proactively address as part of the merger process.

Through the consultation process, 93% of responding organisations agree with the need for change in light of the challenges faced by both districts and 71% of agreed with the merger.

**71%**  
of responding  
organisations  
agreed with the  
proposed  
merger



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

Professor Stuart Croft, Vice-Chancellor and President, The University of Warwick



*"Shakespeare's England fully supports the proposed South Warwickshire District Council from its unique position of, to all intents and purposes, having worked with both SDC and WDC as if they were one body since 2011. Close collaboration between the District Councils and Shakespeare's England has meant that decisions pertaining to South Warwickshire's visitor economy have been taken with the whole of South Warwickshire in mind."*

Shakespeare's England



*"As NHS legislative changes progress through Parliament, South Warwickshire NHS Foundation Trust (SWFT), in its work to align NHS Organisations into Place-based working, has benefited from strong engagement and guidance from Warwick and Stratford-on-Avon District Councils acting as one voice. This has given the Trust insight into how a South Warwickshire Council would operate in connecting with and delivering deeper NHS connections within South Warwickshire Place. SWFT recognises the drivers for change and supports a formal merger."*

South Warwickshire NHS Foundation Trust

*"Merging will allow for better planning across the key services and ought to help develop a much better response to climate change... a reset with a new and more powerful authority to ensure that CO2 reduction is addressed properly with co-operation and mutual working. We also consider that the merger would allow for the development pressures facing the districts to be planned in a much more sustainable way, as it would allow for a much better strategic overview of where development should go based on the development pattern and available infrastructure over a much larger and more logical area."*

Local Business Survey Response

*"I really would enjoy working with other colleagues both across Stratford and across Warwick. I think it is really beneficial to all of us to get to know each other and to find different ways of doing things and we can all really learn from each other."*

District Employee

For more information please see Appendix [z - ORS report and statements of support]





## Our main assets

### Major investment sites

- 1. Quinton Rail Technology Centre
- 2. Jaguar Land Rover
- 3. Aston Martin Lagonda
- 4. Stoneleigh Park
- 5. Coventry Gateway/Airport
- 6. Creative Quarter for Games Sector

### Higher education

- 7. University of Warwick Wellesbourne Campus
- 8. University of Warwick

### New settlements/urban extension

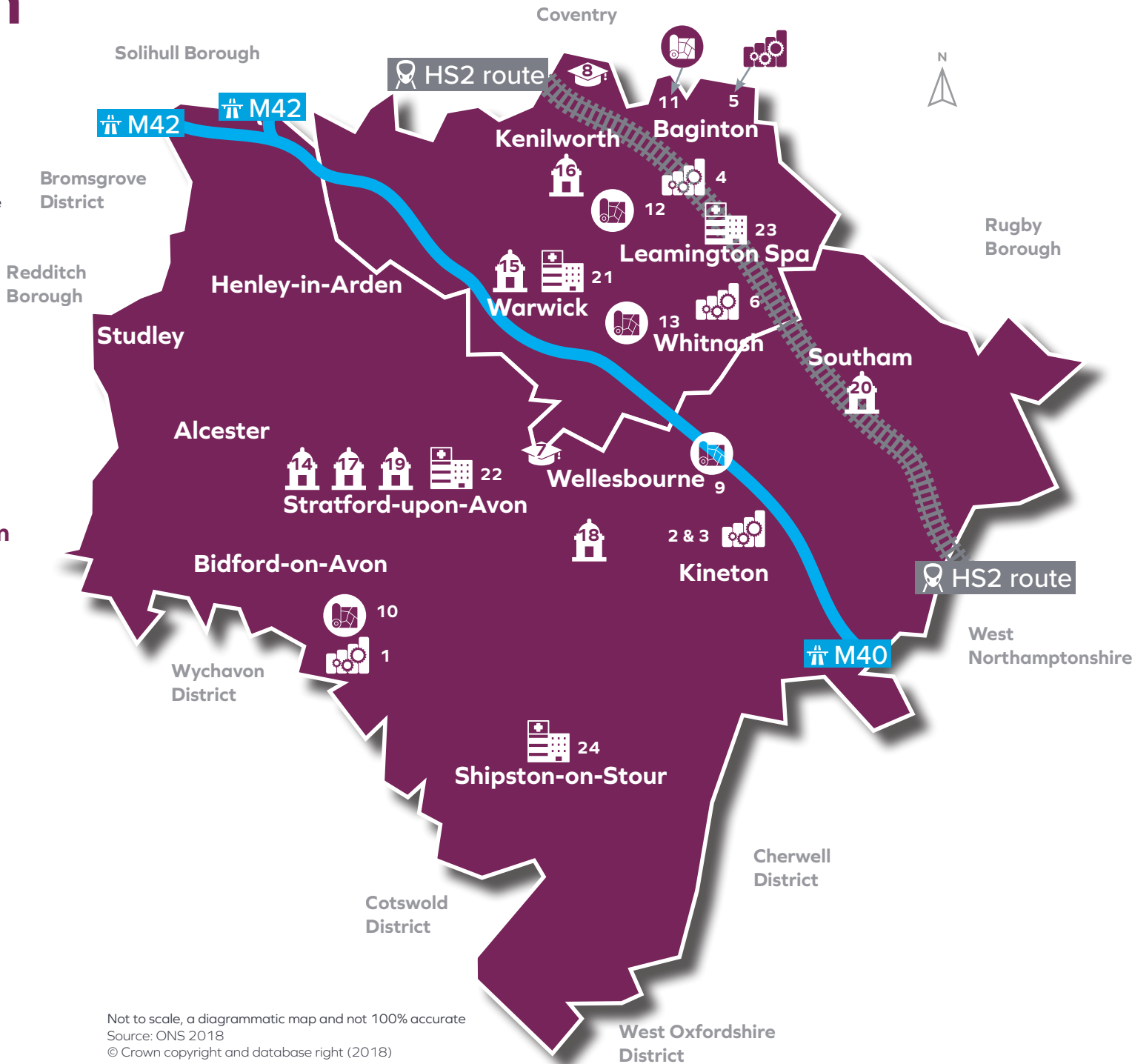
- 9. Gaydon/Lighthorne Heath
- 10. Long Marston Airfield
- 11. Kings Hill
- 12. Thickthorn
- 13. Europa Way

### Heritage and tourism

- 14. Potential Stratford Gateway (Shakespeare Centre)
- 15. Warwick Castle
- 16. Kenilworth Castle
- 17. Royal Shakespeare Company
- 18. Compton Verney House
- 19. Shakespeare Birthplace Trust
- 20. Dallas Burton Polo Ground

### NHS hospitals

- 21. Warwick Hospital
- 22. Stratford Hospital
- 23. Rosalind Franklin Laboratory
- 24. Ellen Badger Hospital



## Working together



Visit South Warwickshire Place Future Governance November 2021

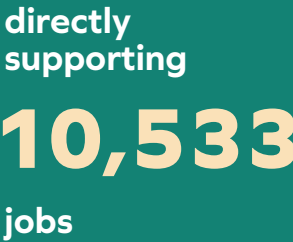
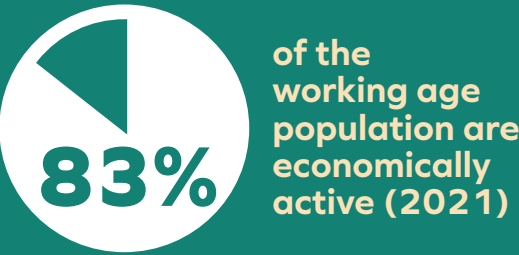


## Healthcare provision



South Warwickshire is recognised in the emerging Integrated Care System

## The facts





# Levelling up - unleashing our potential

Through our recent joint working, including shared management and a joint Local Plan and agreement of a joint Climate Change Action Plan, the two Districts work collaboratively utilising our shared assets and opportunities. A new South Warwickshire District Council will create a credible geography and enable us to achieve our future priorities by levelling up and unleashing our full potential.

## Levelling up

A combined South Warwickshire District Council will focus on raising our profile nationally and regionally as a single functional economic geography. This will allow us to develop a stronger voice and greater influence with peers, investors, and infrastructure providers, ensuring our economic impact is widely recognised.

Through our joint working and combined local plan, we will develop an investment prospectus for housing, employment and commercial development worth £15 billion over the period to 2050 that positions South Warwickshire strongly for COVID-19 recovery and economic development and prosperity. This will create a hive of productivity that benefits our communities, providing the catalyst for an increased sense of civic pride and ambition for the future amongst our residents and businesses.



## Our people

Our collective capabilities and experience will create improved local leadership that will benefit all of our people. Resources and skills that are difficult to sustain at the existing district level will be able to be retained and developed in-house, such as town planners and environmental health officers.

Our wider knowledge base in highly specialist areas (such as contaminated land or air quality monitoring) will increase our organisational agility. This will benefit our staff with improved career development and progression opportunities and our residents and businesses by ensuring services are underpinned by high-quality expertise.



## Arts, culture, sports and leisure

Our rich cultural heritage, notably our castles, museums, spas, and the Shakespeare birthplace make us a popular tourist destination and together we will enhance our international recognition for the attractions and countryside of our geography.

Working together, and with our local assets, we will maximise the legacy benefits of local cultural opportunities, including building a legacy from the Coventry City of Culture (2021) and Birmingham Commonwealth Games (2022), where we are hosting two of the events, and support future cultural events in our communities generating an increased pride of place. The Creative Quarter is being developed in Leamington to help grow one of the largest clusters of Games companies in the country.

## Innovation

Creating a larger pool of resources in all functional areas provides more opportunities for innovation as a result of being a larger organisation with extra capacity and investment potential. The improved financial stability our proposal provides will enable a longer-term strategic approach, targeting transformation and innovation opportunities that will deliver the greatest value. As our population grows, we will use our new Digital Strategy to transform our organisation to ensure our delivery is as effective and efficient as possible.

Working together will provide the conditions to collaborate more effectively with local expertise, including the University of Warwick and major businesses like the automotive brands of Aston Martin Lagonda and Jaguar Land Rover, to be at the forefront of green engineering, manufacturing and innovation.

## Economic growth

The new South Warwickshire District will play a key role in promoting economic prosperity, supporting and investing in our industry leading businesses to flourish and grow. Our collective voice and clearer political accountability will benefit our world class institutions, including the University of Warwick, that “sees a unified South Warwickshire as hugely advantageous to the people and communities of the region and to the interests of the University.” The University of Warwick, and in particular, the Wellesbourne Campus, provides a portal to international inward investment with major high-technology companies such as Lotus Engineering, Rimac and Corteva already on site – and ambitious aspirations for growth.

The potential for investment and economic growth in our single economic geography has been recognised by the recent planning application for the West Midlands Gigafactory. The 100% green energy powered facility, should it be granted planning permission, could become the UK’s largest battery Gigafactory, injecting an investment of £2.5bn into the region and creating 6,000 new jobs.



## Digital connectivity

Digital connectivity is vital to future economic development and to individuals’ socio-economic opportunities. Collectively we will improve our capacity for digitisation and our communications infrastructure as a single geography. This will enable access to convenient and high-quality digital services that provide excellent customer experience.

Improved digital connectivity will also benefit our local businesses, supporting and sustaining the development of future technologies and facilitating inclusive economic growth, particularly in key sectors including Games, automotive and transport, agricultural technologies and medical.

## Healthy communities

Our proposal will align local government with the South Warwickshire NHS Foundation Trust footprint to unleash the opportunity to better achieve place-based integration of health, social and other local government services. Integration at a local place and neighbourhood level, will enable us to better tackle the determinants of health, improving outcomes and living standards for everyone in South Warwickshire.

Our agreed South Warwickshire Place health priorities will be at the forefront of this improved joint working: respiratory health and inequalities, Covid-19 recovery, environment and sustainability, mental health, suicide and bereavement and children and young people. Together, we will be better placed to facilitate health and wellbeing innovations across South Warwickshire, such as the new Digital Innovation Hub at Stratford Hospital.



# Our criteria for success

Stratford-on-Avon District Council and Warwick District Council evolving to create a new South Warwickshire District Council will not only improve the area’s local government, generate local support and cover a credible geography, but it will also provide a sustainable financial basis for delivering and improving the services we all value.

## ✓ Improves local government in South Warwickshire

Building on the existing collaboration between the two Districts will provide a larger pool of resources in all functional areas, provide more opportunities for innovation, and support local decision making. The merger will:

- Enable collective and co-ordinated leadership
- Increase Council responsiveness and resilience and facilitate greater innovation
- Facilitate clearer political accountability for issues which affect South Warwickshire
- Offer enhanced support for and increased joint-working with towns and parishes.

## ✓ Provides an attractive proposal that generates significant local support

The economic geography across South Warwickshire sees a significant number of residents living in one District and working in the other. Having a stronger voice within WMCA and the Coventry and Warwickshire Local Enterprise Partnership will:

- Provide a better reflection of the local economy, supporting local business and jobs and delivering on the Government’s levelling up ambitions
- Reduce committee burden on Councillors, increasing time available to residents
- Allow a shift to a single planning function allied to an expanded Housing Revenue Account development and activity that would enhance and streamline housing growth to address the challenge of affordable housing.

## ✓ Creates a credible geography that benefits the community

The coherent and recognised South Warwickshire place built around the towns and the key transport routes of the M40 and the Chiltern rail line will be further strengthened by a combined District that:

- Creates a stronger South Warwickshire voice nationally and regionally
- Aligns more effectively with South Warwickshire partnerships such as on community safety and tourism
- Builds a meaningful South Warwickshire geography that aligns with the NHS and other public bodies.

## ✓ Enables South Warwickshire to improve the quality of public services

Merging our Councils will allow the new District Council to benefit from greater scale to continue delivering and enhancing public services without significant cost increases to Council tax payers. This proposal will create a wider knowledge base, increase specialist resource capacity and facilitate greater consistency in service delivery to residents. In summary, the merger will improve the quality of services by:

- Strengthening collaboration around consistent needs, such as accessibility to services and affordable housing
- Protecting, maintaining and enhancing local services using economies of scale and improved collective digital service capability
- Empowering a collective approach to tackling major challenges such as the climate emergency.

## ✓ Provides a platform for long term financial sustainability

The financial benefits of streamlining duplication, jointly commissioning services and rationalising the management team will provide a strong financial foundation for South Warwickshire. This will ensure the merger:

- Proportionately reduces the delivery cost of public services balancing flexibility and scalability
- Is achievable within the identified budget and repayable through annual net savings
- Enables long term strategic decision making underpinned by a foundation of financial stability.

For more information please see Appendix [x - Deloitte]

