

Cabinet

Thursday 9 December 2021

A meeting of the Cabinet will be held in the Town Hall, Royal Leamington Spa on Thursday 9 December 2021, at 6.00pm 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

Councillor J Nicholls

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.

3. Minutes

To confirm the minutes of the meeting held on 4 November.

(Pages 1 to 15)

Part 1

(Items upon which a decision by Council is required)

4. Proposal to create a South Warwickshire District Council

To consider a report from the Chief Executive **(Pages 1 to 36 and Appendices 1-13)**

5. Q2 Budget Report

To consider a report from Finance **(Page 1 to 16 and Appendices 1 to 3)**

Part 2

(Items upon which a decision by Council is not required)

6. Council Motion - Leisure provision in Kenilworth during construction of new facilities

To consider a report from Cultural Services **(Pages 1 to 6)**

7. Housing Revenue Account Business Plan Review 2021

To consider a report from Finance **(Pages 1 to 14 and Appendices 1 to 6)**

8. Rural/Urban Capital Improvement Scheme (RUCIS) Application

To consider a report from Finance **(Pages 1 to 10 and Appendices 1-7)**

9. Developing a Digital Strategy for South Warwickshire

To consider a report from ICT Services **(Pages 1 to 54)**

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

To consider a report from Cultural Services **(Pages 1 to 12 and Appendices 2 - 7)**

11. Public and Press

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following items by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Item Numbers	Paragraph Numbers	Reason
12, 13, 14, 15	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Part 2

(Items upon which a decision by Council is not required)

12. **Costs Associated for the Re-development of Waverley Riding Stables, Cubbington**

To consider a report from Housing Services

(Pages 1 to 10)
(Not for publication)

13. **Confidential Appendices to Item 7 – HRA Business Plan**

To consider confidential appendices from Finance

14. **Confidential Appendices to Item 10 – Outdoor Sports Review – Proposed Revised Delivery Models for Council Owned Facilities**

To consider confidential appendices from Cultural Services

(Pages 1 to 59 and Appendices 1 to 5)
(Not for publication)

15. **Minutes**

To confirm the confidential minutes of the meeting held on 4 November

(Pages 1 to 3)
(Not for publication)

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456114

Cabinet

Minutes of the meeting held on Thursday 4 November 2021 in the Town Hall, Royal Leamington Spa at 6.00 pm.

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

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

57. **Apologies for Absence**

Apologies for absence were received from Councillor Matecki.

58. **Declarations of Interest**

There were no declarations of interest made.

59. **Minutes**

The minutes of the meeting held on 23 September 2021 were taken as read and signed by the Chairman as a correct record.

Part 1

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

60. **Fees and Charges 2022/23**

The Cabinet considered a report from Finance which detailed the proposals for discretionary Fees and Charges in respect of the 2022 calendar year. It also showed the latest Fees and Charges 2021/22 income budgets, initial 2022/23 budgets and the actual out-turn for 2020/21.

The Council was required to update its Fees and Charges in order that the impact of any changes could be fed into the setting of the budget for 2022/23. Discretionary Fees and Charges for the forthcoming calendar year had to be approved by Council.

In the current financial climate, and with the impact of COVID-19 still being felt throughout the Council and its services, it was important that the Council carefully monitored its income, eliminated deficits on service specific provisions where possible and minimised the forecast future General Fund revenue deficit.

In accordance with the Financial Strategy and Code of Financial Practice it was appropriate to consider certain other factors when deciding what the Council's Fees and Charges should be:

- The impact of the Fees and Charges levels on the Council's Business Plan.

- The level of prices the market could bear including comparisons with neighbouring and other local authorities.
- The level of prices needed to be sufficient to recover the cost of the service and the impact on Council Finances, where this was not the case.
- The impact of prices on level of usage.
- The impact on the Council's future financial projections.
- Ensuring that fees, in particular those relating to licensing, reflected the current legislation. The regulatory manager had to ensure that the fees charged should only reflect the amount of officer time and associated costs needed to administer them.
- Whether a service was subject to competition from the private sector, such as Building Control. This service had to ensure that charges set remained competitive within the market.
- Income generated from services including Building control, land charges and licensing was excluded from the Medium Term Financial Strategy and was managed through ring-fenced accounts, due to the legislation and criteria under which they operated.
- Management of the Council's Leisure Centres was by Everyone Active. The contract definition stated that 'The Contractor shall review the core products and prices in September of each year and submit any proposed changes to the Authority for approval (the "Fees and Charges Report")'. Appendix C outlined the core fees.

Managers were challenged on ensuring income maximisation and cost recovery where appropriate and provided commentary on the rationale behind some of the charges highlighted below.

Within the savings proposals agreed by Council in December 2020, a target of 15% was agreed in respect of additional income generated from discretionary fees and charges. Consequently, Budget Managers were tasked with seeking to achieve this increase, with the exception for some fees and charges, where legislation and other factors might make it unviable. These were set in accordance with such legislation and service knowledge provided by the managers. This was intended to make a contribution towards the savings that the Council needed to make in its overall Financial Strategy, with the timeline for making significant savings being significantly reduced due to the impact of COVID-19.

As a result of this, the fees and charges outlined in Appendix A to the report presented an overall forecast increase in income of £828,000, or 13.8%. Amounts totalling £398,800 were already factored into the MTFS (£153,800 inflation uplift and £245,000 as per service initiatives programme), with the additional income to be incorporated into the Medium Term Financial Strategy totalling £429,200. This excluded the additional income from certain ring-fenced charges (Building Control, Licensing and Land Charges).

Appendix A to the report also outlined an increase in income within the Housing Revenue Account of £117,000, or 26.6%. This would be factored into the HRA budgets and Business Plan.

The revenue effects of the proposed Fees and Charges were summarised in the following table (ring fenced accounts were removed):

General Fund Services	Actual 2020/21 £ '000	Original Budget 2021/22 £ '000	Forecast 2021/22 £ '000	Forecast 2022/23 £ '000	Change Original 2021/22 - 2022/23 %
ICT	35	30	20	45	50%
Culture	57	229	229	246	7.1%
Place & Economy	233	287	262	309	8%
Development	50	72	71	82	14%
Comm. Protection	18	27	27	31	15.7%
Housing	33	23	26	28	18%
Environment & Ops	3,350	5,342	5,488	6,098	14.1%
Total General Fund Services	3,776	6,010	6,122	6,838	13.8%
Housing Revenue Account	415	440	537	557	26.6%

A breakdown of the key drivers of the 2022/23 Fees and Charges was provided in Appendix B to the report.

Increased income from Fees and Charges would seek to ensure where possible the costs of the provision of respective services were covered. Any increases would reduce the ongoing savings target within the Financial Strategy.

The current forecasts for 2021/22 and 2022/23 would be reviewed within both the Base Budget Report (December) and Budget setting Report (February 2022). Managers would also continue to review their projections on a monthly basis.

The recommendations would enable the Council to continue to offer and deliver services while reducing and eliminating deficits on specific service provisions, supporting the overall financial position of the Council going forward.

In terms of alternative options, the Council could either leave fees and charges at 2021 levels or increase at a reduced level. This would increase the savings to be found over the next five years unless additional activity could be generated to offset this.

Another alternative option would be to increase at a level higher than proposed in the report. Excessive increases could deter usage where the take up is discretionary. Customers might choose to use the service less frequently or use an alternative supplier where one is available.

Both of the above were not realistic options given the current position of the Financial Strategy, and the level of savings required.

Public speaker, Mr Gill, addressed the meeting on this item. He raised concern about the proposed increase in fees for the use of community rooms such as those on Charles Gardner Road. This was because the Groups which use the rooms were often small in number and also less wealthy. In some instances, they were used by groups who were normally harder to engage with as a community and provided important community

facility and links. Therefore, to introduce these increases would have a disproportionate affect to other charges with the proposals.

The Finance and Audit Scrutiny Committee supported the recommendations in the report.

Councillor Hales acknowledged that 15% might be a large increase but pointed out that this decision would come to Council for debate. He then proposed the report as laid out.

Recommended to Council that

- (1) the Fees and Charges proposals set out in Appendix A to the report operate from 3 January 2022 unless stated otherwise, be agreed; and
- (2) provided the changes proposed by Everyone Active to the core products and prices from January 2022 are within the September RPI, the Heads of Culture and Finance, in consultation with the relevant Portfolio Holders (Cllrs Bartlett and Hales), can accept the changes.

(The Portfolio Holder for this item was Councillor Hales)
Forward Plan Reference 1,194

61. Adoption of revised Enforcement Policy and Business Charter

The Cabinet considered a report from Health and Community Protection which sought the Council's adoption of the revised joint Warwick District and Stratford-on-Avon District Council (SDC) Enforcement Policy and Business Charter covering a range of the two Council's regulatory services.

The Enforcement Policy was reviewed and updated to reflect a joint policy across the two Councils, with the inclusions of additional regulators and changes to enforcement powers.

The Warwick District Council policy was last reviewed in 2018.

The main changes were:

- Inclusion of additional enforcement areas within the scope of the policy. Namely: parking.
- Inclusion of an SDC Development Service appendix to the enforcement policy.
- Updates to legislation and governing guidance for relevant enforcement activities.
- Updated wording to provide additional clarity and understanding.

The Business Charter was reviewed and updated to reflect a joint business charter across the two Councils and the support organisations which represented our businesses.

The Warwick District Council Charter was last reviewed in 2018 and was being introduced for Stratford-on-Avon District Council.

The main changes were:

- Updated wording to provide additional clarity and understanding.
- Inclusion of Stratford District Council contact details.

The Department for Business, Innovation & Skills introduced the Regulators' Code which came into force on 6 April 2014. Its aim was to provide a regulatory framework that supported compliance and growth while enabling resources to be focussed where they were most needed. It set out a framework for proportionate and accountable regulatory delivery and established principles of how local authorities should engage with businesses to avoid imposing unnecessary regulatory burdens.

Business Support Organisations were consulted regarding the policy and charter. These included:

- Landlords Groups;
- Chamber of Commerce; and
- Federation of Small Businesses

All comments received from the organisations were given due consideration and incorporated into the Policy and Charter as appropriate. Those comments which were better suited for inclusion in other relevant documents or upon the website were forwarded for consideration in those publication reviews.

As this was a statutory duty, the Council needed to adopt an effective enforcement policy.

Alternative content could have been considered. However, the proposed version reflected the Government's recommended approach. There was no requirement to produce a single Council-wide policy and Members could prefer service-specific policies rather than the associated appendix to the report, which outlined variations of specific powers which were not detailed within the corporate Enforcement Policy.

There was no requirement to have a Business Charter and therefore Councillors could have chosen not to adopt the Charter. However, the content of the Charter reflected the Better Business for All agenda which sought to ensure that businesses were supported by regulators and a level playing field was established.

WDC had a Business Charter in place since 2018 and received only positive feedback in relation to the balanced approach of the Charter and Enforcement Policy.

Councillor Falp stated that the Policy had worked well over the last few years and she proposed the report as laid out.

Recommended to Council that

- (1) the revised Enforcement Policy and its associated appendices as set out in Appendix 1 to the report be adopted; and
- (2) the Business Charter as set out in Appendix 2 to the report, be adopted.

The Portfolio Holder for this item was Councillor Falp)
Forward Plan Reference 1,242

62. Review of Warwick District Council Member's Allowances Scheme

This item was withdrawn following the publication of the agenda to allow Members further time to reflect on the report.

Part 2

(Items upon which a decision by the Council was not required)

63. Additional Grant to Community Village Shop, Norton Lindsay

The Cabinet considered a report from the Chief Executive, that sought approval for further grant funding to the Community Village Shop, Norton Lindsay.

The Council had agreed a grant toward a Community Village Shop in Norton Lindsey forming part of a wider community hub including a pub, in 2017. At that time a legal agreement was sought which took a long time to resolve and which was followed by the pandemic which prevented the proposal from progressing. The local community wanted, and were ready, to implement the proposal but costs rose since the original quote and they were now in need of a further £36,794 in addition to the £38,500 (excl VAT) previously granted, totalling £75,294. It was proposed that the grant award be made subject to the usual pre-conditions about sign off associated with RUCIS grants. It was proposed that this be funded from the 2021 RUCIS Scheme budget.

It was proposed that the additional award be granted to enable the original concept of a community hub in Norton Lindsey to be completed by adding a community village shop. The additional award was small by way of comparison to other awards made so although there was a risk that the community shop would not work it was judged to be an acceptable risk.

The Cabinet could decide not to award the grant. Clearly given what was said by the applicants then the proposal would not be able to go ahead. The Cabinet could also withdraw the existing grant award and return the sum to its reserves. The proposal would not continue.

The Group observers supported the recommendations in the report, noting that a local shop would be beneficial from a planning and sustainability perspective as it removed the need for residents to drive to the nearest shop.

Councillor Falp highlighted the success of the shop in Barford, which brought in £40,000 a year for the village.

Councillor Hales proposed the report as laid out.

Resolved that an additional grant of £36,794 be awarded to Norton Lindsey Community Pub (NLCP), in addition to the previously awarded £38,500, to be funded as an exception from the existing 2021/22 RUCIS scheme budget subject to the usual conditions and processes for RUCIS grants also applying.

(The Portfolio Holders for this item were Councillors Falp and Hales)

64. Amendments to the Royal Leamington Spa Neighbourhood Plan

The Cabinet considered a report from Development Services, which recommended two non-material amendments to the Royal Leamington Spa Neighbourhood Plan (NP). The NP had been 'made' by Warwick District Council on 12 May 2021 following successful referendum. This proposed amendment followed a request from Royal Leamington Spa Town Council as the Qualifying Body with the intended purpose of updating/correcting the fact, and not materially impacting the application of the plan. The relevant statutory power which enabled minor amendments with the consent of the Qualifying Body is S61M(4) and (4A) of the Town and Country Planning Act 1990, applied to neighbourhood plans by virtue of S38c of the Planning and Compulsory Purchase Act 2004.

The Lillington Conservation Area was a statutory designation. It was omitted from the Royal Leamington Spa Neighbourhood Plan in error, and its insertion reflected the fact, but did not materially impact the application of the policies.

The proposed update to policy RLS17 would reflect changes to the Use Class Order and provided greater clarity in the application of the policy.

In terms of alternative options, a 'do nothing' option was considered. It was concluded however, that that would not assist in clarifying the points raised by the Qualifying Body.

Councillor Cooke noted that this was a technical paper that included important points missed out in the previous report. He then proposed the report as laid out.

Resolved that:

- (1) the addition of references and an appropriate map of the Lillington Conservation Area map to the Royal Leamington Spa Neighbourhood Plan be noted and agreed. Specifically:
 - Update paragraph 5.1.16 of the neighbourhood plan to reflect that there are three conservation areas within the neighbourhood area.
 - Insert a link at the end of paragraph 5.1.16 to the relevant Warwick District Council

webpage where detail of the Lillington Conservation Area is available.

- Update Figure 7 to include the Lillington Conservation Area in addition to the other areas shown; and

- (2) changes proposed to Policy RLS17 – Royal Leamington Spa Creative Quarter (as set out paragraph 1.8 of this report) be noted and agreed, to reflect the changes to the Use Class Order made in September 2020

(The Portfolio Holder for this item was Councillor Cooke)

Forward Plan Reference 1,251

65. Riverside House Development Brief

The Cabinet considered a report from Development Services. The report informed the Cabinet; of the outcome of the public consultation on the draft Development Brief for the Riverside House site; the proposed updates in response; and, sought approval for the updated Development Brief to enable options/proposals to be brought forward for the development of the site.

On 8 July 2021, Cabinet approved the draft Development Brief for the Riverside House site for public consultation.

The Development Brief would be used to guide future development on the Riverside House site. It was updated following the Public Consultation and was now ready for approval. Officers would then focus on the next steps of how the site might be brought forward for development.

In terms of alternative options, the Council could choose not to approve the updated draft Development Brief and instead rely on policies in the Warwick District Local Plan and in other adopted Supplementary Planning Documents. Whilst this approach would still enable the site to come forward in compliance with planning policy, it would not allow the Council to articulate its wider ambitions for the site and maximise the community benefits that the redevelopment of this site would bring. This alternative option was therefore discounted.

The requirement for wider community benefits to be delivered other than that usually be required on a site owned by another party, it could impact on the eventual land receipt that the Council received for the site or could even require a financial contribution in order to achieve them. The Council could choose to vary the Brief and the reduce the requirements on the site with the intention of driving up its land value but the steer from Cabinet was to develop a brief that set out the Council and wider community aspirations. This option was therefore discounted.

The Overview and Scrutiny Committee supported the recommendations in the report, but also recommended that in the brief, the Council's wish for the developer to find carbon savings in the build/construction process and to investigate the reuse of materials, be made clear.

The Green and Labour Group Observers stated that they had discussed this item at length. Councillor Davison remarked that one colleague described this report as “exemplary”, with Councillor Cullinan echoing these positive comments.

Councillor Day proposed, and Councillor Rhead seconded, that the recommendation from the Overview and Scrutiny Committee, be approved.

Councillor Cooke proposed the report as laid out, along with the recommendations from the Overview and Scrutiny Committee.

The Committee therefore

Resolved that:

- (1) the outcomes of the public consultation and the updated contents of the Development Brief for Riverside House be noted;
- (2) the updated Development Brief for Riverside House, attached at Appendix 1 to the report be agreed, subject to the inclusion of the aspiration of the Council that the developer to find carbon savings in the build/construction process and to investigate the reuse of materials, be made clear, and that this be used to guide future development on the site; and
- (3) a report for the options on how a development at Riverside House may be brought forward in the first quarter of 2022.

(The Portfolio Holder for this item was Councillor Cooke)
Forward Plan Reference 1,250

66. Rural/Urban Capital Improvement Scheme (RUCIS) Application

This item was withdrawn following the publication of the agenda because the report related directly to the Whitnash Ward and following the publication of the Notice of Election the Council was in a pre-election period for this area.

(The Portfolio Holder for this item was Councillor Hales)
Forward Plan Reference 1,193

67. Climate Change Action Programme

The Cabinet considered a report from the Programme Director for Climate Change which sought approval of the Climate Change Action Programme (CCAP) that had been developed to work towards the Climate Change Ambitions, which were shared with Stratford-on-Avon District Council and agreed by Cabinet in July 2021.

In terms of alternative options, the Cabinet could consider whether to include of any alternative commitments/actions in to the CCAP and/or the exclusion of any commitments/actions that are currently proposed.

The Cabinet could consider whether they would recommend any changes to the communications and community engagement strategy or the proposed funding strategy.

The Cabinet could consider whether the spending proposals set out at paragraph 1.6 of the report were appropriate or whether any changes should be made. In particular, the Cabinet could consider whether any of the other proposals set out in the CCAP should be included as alternatives.

The Overview and Scrutiny Committee welcomed the report and the request for additional resource. The Committee recommended the following:

- That a carbon descent plan is created for use as a target and tracker for use to measure progress on the programme.
- The Council should promote good news stories, e.g., the divestment of fossil fuel investments, so that residents are aware about the progress being made.
- A consolidated view of the different standards in Housing that are in use across the District should be produced to give more clarity on which standards would apply.

In response to questions from the Committee, the Portfolio Holder Councillor Rhead reassured Members that, despite the disparity in funds between Warwick District Council (WDC) and Stratford-on-Avon District Council (SDC), the money would definitely be spent within Warwick District. He added that although SDC and WDC had a unified approach to tackling climate change, the disparity reflected the different circumstances of each Council. He reiterated that the Councils had not yet merged so were therefore still separate entities, but that this did not undermine the common goal

Councillor Rhead proposed the report as laid out, along with the recommendations from the Overview and Scrutiny Committee. A note of thanks was made to the Programme Director of Climate Change and his team, the Climate Change Programme Advisory Board, and the People's Forum for their hard work on this report, which was an important first step in the evolution of the Climate Change Action Plan.

Resolved that:

- (1) the Climate Change Action Programme compromising the Action Plan, as set out Appendix 1 to the report; the Communications and Engagement Strategy, as set out at Appendix 3 to the report; and the Funding Strategy, as set out at Appendix 4 to the report, be agreed;
- (2) the Stratford District Council and Warwick District Council carbon baselines, as set out at Appendix 2 to the report, and Climate Change Action Programme Risk Register, as set out at Appendix 5 to the report, be noted;

- (3) the proposals for utilising the Climate Action Fund budget for 2022/23 and 2023/24 to deliver part of the CCAP, as set out in the table at paragraph 1.5 to the report, be agreed;
- (4) authority be delegated to the Programme Director for Climate Change (PDCC), in consultation with the Climate Change Portfolio Holder to spend from the Climate Action Fund in line with the proposals set out in paragraph 1.5 of the report, including variances of up to 10% from the amounts shown. In addition, authority be delegated to the PDCC, in consultation with the Climate Change Portfolio Holder to authorise sums up to £10,000 for spending that is outside the proposals within paragraph 1.5 to the report as long as the PDCC and Climate Change Portfolio Holder are satisfied that this will not compromise the delivery of the proposals at paragraph 1.5 to the report;
- (5) a range of funding sources are explored and utilised for the unfunded actions set out on the CCAP, including future Council budget setting processes;
- (6) the commitment to the ambition of becoming a net zero carbon Council by 2025 in the event that, for whatever reason, a merger of Stratford-on-Avon DC and Warwick DC does not materialise, be confirmed;
- (7) a carbon descent plan is created for use as a target and tracker for use to measure progress on the programme;
- (8) promotion of good news stories, e.g., the divestment of fossil fuel investments, so that residents are aware about the progress being made, will be reviewed to see how this can be improved; and
- (9) a consolidated view of the different standards in Housing that are in use across the District to give more clarity on which standards would apply, be produced.

(The Portfolio Holder for this item was Councillor Rhead)
Forward Plan Reference 1,248

68. **Significant Business Risk Register**

The Cabinet considered a report from Finance which set out the latest version of the Council's Significant Business Risk Register for review by the Cabinet. It was drafted following review by the Council's Joint Management Team and the Leader of the Council.

The report set out the latest version of the Council's Significant Business Risk Register for review by the Cabinet. This would aid effective governance within the Council.

In terms of alternative options, the report was not based on 'project appraisal' so this section was not applicable.

The Finance & Audit Scrutiny Committee supported the recommendations in the report. Members noted the intent was that once there was a decision on the potential merger, the Significant Business Risk Register would include a specific risk on that topic. The Committee also noted the redundant wording in the Climate Change Risk relating to the Council Tax Referendum, which was no longer a possible trigger.

Councillor Hales proposed the report as laid out.

Resolved that:

- (1) the Significant Business Risk Register, attached at Appendix 1 to the report, be noted; and
- (2) the emerging risks identified in section 1.4 of the report be noted, and that an additional risk be included in future relating to the proposed merger with Stratford-on-Avon District Council.

(The Portfolio Holder for this item was Councillor Day)

Forward Plan Reference 1,196

69. **Health and Well-being- South Warwickshire Place Arrangements**

The Cabinet considered a report from the Chief Executive which sought to outline and to gain support for the arrangements proposed to be put into operation for Health and Well Being for South Warwickshire Place.

The proposals for new arrangements for the South Warwickshire Place provided an excellent opportunity to deliver real improvements in health and well-being outcomes for local communities and therefore should be supported.

In terms of alternative options, the Cabinet could decide not to support the proposals in this report, but this would leave one or both Councils adrift from being involved in an important policy area locally. This would not be in the Councils' interests nor those of the local communities and so was discounted as an option.

In response to questions from Members, the Chief Executive noted that the primary focus of this report was on the South Warwickshire Place Arrangements, rather than on social care and the NHS. He emphasised that

around 80% of the impacts on health were found outside of the NHS. For example, the standards of housing were very important to the overall health of residents. He stated that Warwick District would be represented on the Warwickshire Health and Well-being Board, where we would have the ability to influence decisions.

Councillor Falp echoed the Chief Executive's comments, saying that even seemingly minor things such as maintaining public parks all indirectly helped to improve the health of residents through preventative measures- "the more we do, the less the NHS needs to do". She then proposed the report as laid out.

Resolved that:

- (1) the new arrangements for health and well-being in the Coventry and Warwickshire sub region, as set out at Appendix 1a and 1b to the report, be noted;
- (2) the proposed arrangements for health and well-being set out in this report for the South Warwickshire Place, as set out at Appendix 2 to the report, and in particular the terms of reference for the Place Partnership Board (PPB), as set out at Appendix 3 to the report; Place Delivery Group (PDG), as set out at Appendix 4 to the report; and, Population Health Delivery groups (PHDGs), as set out at Appendix 5 to the report, be agreed;
- (3) authority be delegated to the Chief Executive in consultation with the Homes, Health and Wellbeing Portfolio Holder to agree any minor amendments to the terms of reference of the PPB, PDG and PHDGs; and
- (4) the contents of Appendix 6 to the report demonstrating the progress on outcomes in South Warwickshire Place, be noted.

(The Portfolio Holder for this item was Councillor Matecki)

70. Urgent Item - Princes Drive Rail Bridge Refurbishment and Public Art Project

The Cabinet considered an urgent report from the Chief Executive which sought approval for funding of up to £121,000 as a contribution to Network Rail towards the additional costs associated with refurbishing the highway span (DCL 140A) and pedestrian span (DCL 140) of the Network Rail owned rail bridge on Princes Drive, Royal Leamington Spa with unique, locally designed art patterns.

Network Rail would undertake repair and refurbishment of the Princes Drive rail bridge in Royal Leamington Spa in advance of the Commonwealth Games, however the scope of works was limited to operational and functional improvements.

It was recommended that funding was provided to Network Rail to cover the additional costs associated with refurbishing the rail bridge with unique, locally design art patterns covering the full span of the bridge.

The additional improvements to the rail bridge would provide a significant enhancement to the public realm and provide an uplift to the amenity of the local area in advance of the Commonwealth Games that would benefit visitors to the town and residents in the short-term and longer-term.

The proposed improvements aligned with investments being made in Royal Leamington Spa in preparation for the Commonwealth Games, the District Council's Creative Framework and strategic development projects being developed in Royal Leamington Spa.

Cabinet could choose not to provide funding to cover the cost of the additional works specified by Network Rail. If no additional funding was allocated to the project, the scope of works would be limited to repairing, cleaning, and painting (in a single colour) the highway span of the bridge and repairing the footpath span with no painting.

The Finance and Audit Scrutiny Committee supported the recommendations in the report. Members were satisfied for the reasons for the late circulation of the report.

In response to questions from Members, the Chief Executive stated that he could not give an absolute guarantee of the longevity of the design. However, the artist had previously done similar work which lasted long-term. Councillor Day also noted that Network Rail agreed to cover the future maintenance costs. The Chief Executive also responded to concerns about whether the project would be completed in time for the Commonwealth Games 2022, saying that this tight time frame was the reason that this report had been submitted as urgent. A response to Network Rail was required by 6 November 2021.

In response to a question from Councillor Grainger, Councillor Day reassured Members that the Council had not lost sight of its other projects, including the plans to make changes to Warwick Railway Station. He stated that this project was mainly about building a good relationship with Network Rail, which would benefit the other plans further down the line.

Councillor Bartlett echoed Councillor Day's sentiment, and proposed the report as laid out.

Resolved that the allocation of up to £121,000 from the Service Transformation Fund be agreed to cover the additional costs arising from extending the scope of works to include unique, locally designed art patterns across the Network Rail owned rail bridge on Princes Drive, Royal Leamington Spa subject to necessary agreements and approvals.

(The Leader agreed to take this an urgent item because a decision needed to be made by 5 November 2021, and this agreement could not be signed without the

funding being agreed by Members first. Necessary permission for this item to come forward had been obtained from the Chief Executive, Monitoring Officer, Head of Finance, and Leader and both Scrutiny Committee Chairs.)

71. Public and Press

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following items by reason of the likely disclosure of exempt information within the paragraph of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Minutes Numbers	Paragraph Numbers	Reason
72, 73, 74	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The minutes of the following Items will be detailed within the confidential minutes of the Cabinet

72. Lillington Health Hub / Valley Road Car Park

The Cabinet considered a confidential report from Development Services.

The recommendations in the report were approved.

73. Confidential Appendix to Item 9 – Riverside House Development Brief

The Cabinet considered a confidential report from Development Services.

The recommendations in the report were approved.

74. Minutes

The Cabinet considered the confidential minutes of the meeting held on 23 September.

(The meeting ended at 7.12pm)

CHAIRMAN
9 December 2021

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

Summary

This report provides evidence to elected members at Stratford-on-Avon District Council and Warwick District Council in relation to the proposal to create a South Warwickshire District Council. The main purpose of the report is to determine whether both Councils agree to formally request the Secretary of State at the Department of Levelling Up, Housing and Communities to create a South Warwickshire District Council.

Recommendations to Cabinet

- (1) That Cabinet notes the additional evidence collected since February 2021 to aid the Members' decision-making process on this matter;**
- (2) That Cabinet note and endorse the Programme Risk Register attached at Appendix 6 and the Programme of Implementation as updated attached at Appendix 3; and**
- (3) That Cabinet determines whether to recommend to Council that a formal submission should be made to the Department for Levelling Up, Housing and Communities to create a South Warwickshire District Council.**

Recommendations to Council

- (4) That Council determines whether a formal submission should be made to the Department for Levelling Up, Housing and Communities to create a South Warwickshire District Council;**
- (5) Subject to recommendation (4), to approve the formal submission document to create a South Warwickshire District Council attached at Appendix 5 and to agree to delegate to the Chief Executives in consultation with the respective Leaders of both Councils to make any minor and typographical changes identified and to agree the covering letter;**
- (6) Subject to recommendation (4), to establish a joint member working group to review the issues raised in Section 4 and in addition to agree that the working group works with WALC and other key parish and town councils to undertake a community governance and function review for South Warwickshire;**
- (7) Subject to recommendation (4), to agree to carry out a consultation with staff and Trades Unions on options for addressing harmonisation of staff terms and conditions including pay;**

- (8) **That should recommendation (4) above be not agreed, or that either Council does not agree to make a submission in relation to recommendation (4), an emergency Council meeting be arranged in early January so that a revised strategic approach can be discussed and agreed prior to the setting of the annual budget for 2022/23 and beyond.**
-

1 Background Information

Introduction

- 1.1 It is recognised that both Stratford-on-Avon (SDC) and Warwick (WDC) District Councils face a very uncertain and challenging financial future, although for slightly different reasons. Government funding for all councils has reduced in recent years, and at SDC, for example further significant reductions are expected due to changes to the New Homes Bonus scheme this autumn. At WDC, the cost of refuse and recycling services was forecast to increase significantly above present expenditure levels. This is on top of the implications of the COVID pandemic which have created unprecedented financial challenges.
- 1.2 It is estimated that combined, the Councils will have a shortfall of around £9m which means that this level of annual savings will be needed over the next five years to address this shortfall to help, in so far as is possible, to preserve services. This level of annual savings is about one-third of the combined costs of the two Councils.
- 1.3 Whilst some financial reserves are held by both Councils, these have already been reduced by the impact of COVID and are largely ear-marked for essential future expenditure. It would not be sensible or sustainable to use these reserves to supplement annual running costs. It is also illegal for the Council to set an annual budget which is not balanced.
- 1.4 Faced with this financial pressure and the desire to protect services, SDC and WDC have been working together to tackle this shortfall and to reduce the impact on residents and service users. In February this year both Councils received a business case prepared by Deloitte (Appendix 1). The conclusions that it arrived at provides the context for the financial and non-financial benefits that could be delivered through the proposed merger. The vision that both Councils agreed following receipt and consideration of that business case is as set out below.
- "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."***
- 1.5 Whilst the South Warwickshire District Council would cover the area currently administered by SDC and WDC it would be an entirely new entity with new wards, its own constitution, organisational culture, and ways of working. Realising this vision would represent an unprecedented opportunity to establish a completely new organisation. It would not, and indeed should not, be a mark two of either SDC or WDC; nor a take-over of one by the other. Rather it should be an opportunity to create an organisation fit for the 21st Century to address the challenges faced by the South Warwickshire area and its communities.

1.6 To achieve the vision of creating a South Warwickshire District Council by April 2024, government officials have advised that a submission requesting such a decision would need to be made to the Department for Levelling Up, Housing and Communities (DLUHC) by the end of 2021. The purpose of this report, therefore, is to provide the necessary information to members of both Councils to enable a decision to be taken on this significant issue in due time.

1.7 As background to this issue and as a reminder, the resolutions approved in February 2021 by both SDC and WDC were as follows:

- 1) *That, subject to the same decision being made by Stratford-on-Avon/ Warwick District Council, the following Vision Statement be approved: Council 22 February 2021 **"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."***
- 2) *That, subject to the same decision being made by Stratford-on-Avon/ Warwick District Council in respect of Resolution (1), the Chief Executives of both Councils be asked to draft a submission to the Government seeking approval to achieve a merger by 2024, subject to a further report for approval by both Councils;*
- 3) *That, subject to the same decision being made by Stratford-on-Avon/ Warwick District Council, in respect of Resolutions (1) and (2), the Chief Executives of both Councils be authorised to prepare a Programme of Implementation (PI) to deliver the Vision agreed at Resolution (1) for consideration by Members no later than July 2021;*
- 4) *That, subject to the same decision being made by Stratford-on-Avon/ Warwick District Council in respect of Resolutions (1) to (3), the sum of £100,000 per annum from each Council for the period 2021/22 to 2023/24 be included within the Medium-Term Financial Strategy to ensure sufficient programme management resource to support the Councils through this transition process to a full merger;*
- 5) *That a Risk Register, including an exercise of full disclosure from both authorities for consideration by Members alongside the Programme of Implementation (PI) be prepared;*
- 6) *That a Communication Plan for the Vision and Programme of Implementation (PI) for staff, partner agencies, the public and the business community be prepared and implemented;*
- 7) *That 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;*
- 8) *That, subject to the same decision being made by Stratford-on-Avon/ Warwick 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;*
- 9) *That the scale of change, benefits and risk (and mitigations) that this proposal involves for each Council be noted.*

- 1.8 All of the resolution above has been fully implemented enabling the preparation of the report now being considered by both Councils. The actions subsequently undertaken and the additional information and evidence collected since February 2021 are summarised in the following section of this report with the intent of enabling Members to decide on this issue.

2 Additional Actions Taken and Evidence Collected

2.1 Joint Arrangement Steering Group

- 2.1.1 In response to the Council resolution surrounding the establishment of a Steering Group, the Joint Arrangement Steering Group (JASG) was formed on 21 June 2021. The Group is made up of 12 Councillors, six from each authority and is politically representative across the two Councils. The terms of reference for the JASG can be found at Appendix 2.
- 2.1.2 The JASG has met on seven occasions during the summer and autumn whilst the plans have been developed. All the background papers for these meetings are available to elected members at both SDC and WDC.

2.2 Establishment of Programme Team

- 2.2.1 The Council reports approved in February provided for £200k per annum (£100k per Council) of Programme Management resource to support the overall process. A programme team has been established with the appointment of the Transformation Programme Manager in May 2021 and the Programme Support Officer who in line with the resolutions from Council have together prepared a Programme of Implementation.
- 2.2.2 The Programme of Implementation was considered by the JASG at its meeting on 19 July 2021, the full report is available at Appendix 3. This document identified the links to the existing decision-making processes at each authority including:
- Respective Cabinet and Scrutiny arrangements;
 - The decisions which would be required by the respective Employment Committees.
- 2.2.3 In addition the Programme of Implementation identified each of the specific workstreams which would be required to achieve the vision approved by both Councils. These include:
- People Organisation
 - Leadership Restructure
 - Organisational Development
 - Service Integration & Optimisation
 - Enabling Support
 - Corporate Communications
 - Finance & Procurement
 - One Team Together
 - ICT/Digital
 - Assets
 - Policy & Process
 - Business Case Proposal Submission
 - Democratic Governance
 - Formal Merger
 - Corporate Strategy/Council Plan

- 2.2.4 These workstreams have set the framework for the delivery of this programme. Each of the workstreams are monitored by the South Warwickshire Together Programme Board (Officers), which in turn reports to the JASG.

2.3 **Full disclosure exercise**

- 2.3.1 At the meeting of JASG held on 21 June 2021, details of a full disclosure exercise were presented. The exercise was sponsored by the Local Government Association (LGA) and was undertaken by a previous s151 Officer from a large unitary authority.
- 2.3.2 The exercise included a wide-ranging review of financial issues affecting both Councils including issues such as pension, current savings and financial plans, the position on reserves along with a comparison of the two authorities. The full review document is attached at Appendix 4. It concluded:

"SDC and WDC are similar Councils in many respects. There is a logic in them contemplating merger to achieve economies of scale and better resilience going forward. Nothing has emerged from this exercise to fundamentally challenge that concept. Councils always have their own specific characteristics and a merger of two exactly identical or equal partners is highly unlikely. Each will bring a variety of strengths and some weaknesses to the table."

2.4 **Report from the Local Government Association in relation to the additional savings which can be provided through a full merger**

- 2.4.1 The Deloitte report presented in February estimated the savings which could be delivered by the integration of the two Councils. The report also identified those additional savings which could be delivered by way of the full political merger. Since February, given the significance of the proposed full merger, the LGA has been working with the two Councils to review the assertions which were made in the Deloitte report. This independent exercise has identified that the assumed additional savings would be in the region of £303k. The LGA's report is attached at Appendix 5.
- 2.4.2 It is worth noting that, in addition to the financial savings there would be organisational benefits of having single policies and approaches across the new single authority which would drive the largest efficiencies. This is particularly relevant in areas such as Planning, Environmental Health, Licencing, and the Council Tax Reduction scheme. If staff are required to operate two systems, this will "lock in" inefficiencies and restrict the ability for the teams to feel that they really do belong to the same authority. In supporting this issue, the LGA report concluded:

"The non-financial and non-cashable benefits of a full merger are potentially as significant or more significant than the financial ones and will also enable financial savings to be maximised."

2.5 **Development of a Programme Risk Register in relation to the merger proposals**

- 2.5.1 A Programme Risk Register has been developed, which has built upon the draft included in the original Deloitte report. This risk register was considered at the JASG meeting held on 22 November 2021. The risk register identifies the potential issues which could arise through the proposed merger and

identifies the mitigating actions to minimise such risks. The Programme Risk Register can be found at Appendix 6.

2.5.2 The Programme Risk Register will be subject to regular review by the Internal Audit team at Warwick District Council. This team is already responsible for the identification and reporting of risks at WDC and from 1 April 2023 it will take on the responsibility for Internal Audit and Risk Management at SDC.

2.6 **Consultation exercise in relation to the proposal to create the South Warwickshire District Council**

2.6.1 It was clear from the debate at both Councils in February 2021 that a thorough and meaningful consultation exercise would be required to enable Members to determine whether or not the proposal to merge commands “a good deal of local support”.

2.6.2 In considering such an exercise, however, it was quickly decided that, to ensure complete independence, the exercise should be conducted by an external organisation. Opinion Research Services (ORS), part of the University of Swansea, had undertaken numerous similar consultation exercises in relation to proposals surrounding Local Government Review. ORS was appointed and worked alongside the Councils and the Consultation Institute (a not-for-profit best practice Institute, promoting high-quality public and stakeholder consultation in the public, private and voluntary sectors), in developing a questionnaire which would be used for public and wider stakeholder engagement.

2.6.3 The draft questionnaire was considered at the meeting of JASG on 23 August 2021 and is attached at Appendix 7. The consultation exercise ran from 9 September 2021 until 24 October 2021. The results of this exercise were reported to the JASG on 22 November 2021.

2.6.4 Appendix 8 of this report provides a full detailed response in relation to the consultation exercise undertaken by ORS. However, the following comments summarise the main points and findings relating to this exercise.

2.6.5 The consultation exercise which has been undertaken meets the four Gunning principles in that:

- It has been undertaken at a formative stage, i.e. that the proposition is not a done deal;
- There has been sufficient information for respondents to fully understand the proposition;
- There has been sufficient time for the consultation exercise;
- The results of the consultation will be properly taken into account.

2.6.6 There have been a number of strands to the consultation exercise which can be summarised as follows:

- Residents Survey;
 - 613 telephone interviews (around half in each District)
- Consultation Questionnaire;
 - 1,633 responses to a questionnaire available online and also in print.

- 1,602 responses from individuals and 31 from organisations including town and parish councils, and voluntary & community sector;
- Residents Focus Groups
 - Four deliberative virtual focus groups with residents
 - Two groups per District;
- Stakeholder Engagement
 - Two deliberative virtual forums
 - One for town and parish council representatives and one for the voluntary and community sector representatives;
- Staff Groups
 - Two focus groups for staff, one for managers and one for non-managers;
- Written Submissions
 - Wide range of responses including from other local authorities, the University of Warwick, the NHS and Shakespeare's' England.

2.6.7 The ORS report provides full details of the methodology and reliance that can be placed upon the results of the quantitative consultation, and identifies the difference between the Residents telephone survey and the Open consultation questionnaire, the main points being:

- **Residents Telephone Survey**

In order to better understand how views differ between the two local authorities' areas, equal numbers of interviews were targeted in each District; this was taken into account in the weighting process, to give each district a proportional influence on the overall result relative to the size of its population. The remaining quotas (i.e. those for age, gender and working status) were designed to be representative of the overall population of Stratford-on-Avon and Warwick Districts, based on the most recent available secondary data.

The achieved sample was compared against secondary data for each district, and subsequently weighted by tenure, working status, disability, interlocked age and gender. Weights were capped at five with the remainder apportioned across all cases, and a final district weight was applied. As a result of this process, the survey estimates should be broadly representative of the overall population of Stratford-on-Avon and Warwick Districts to within around +/- 5 percentage points at a 95% level of confidence. In other words, 19 times out of 20 (95%) if the whole population was interviewed then the findings would not differ by more than +/- 5 percentage points from the survey estimates. Considering the sample sizes, the opinion splits, and the degrees of statistical weightings used (to compensate for different response rates from different demographic groups), the survey findings are accurate enough for reliable conclusions to be drawn about residents' opinions on the Councils' proposal.

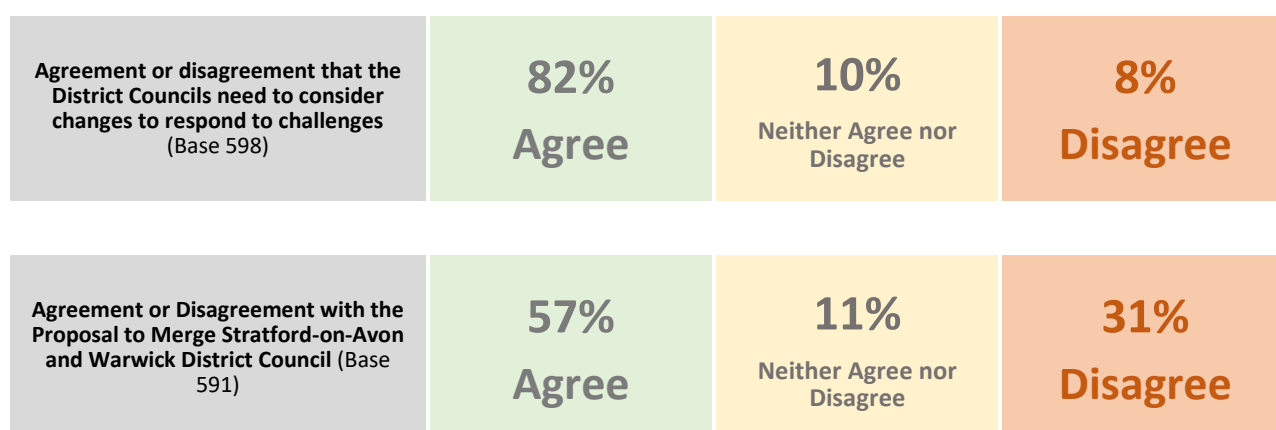
- **Open Consultation Questionnaire**

Open questionnaires are important forms of consultation, in being inclusive and giving people an opportunity to express their views; but they are not random-sample surveys of a given population – so they cannot normally be expected to be representative of the general balance of public opinion. For example, the young are usually under-represented while the elderly are over-represented; and the more motivated groups or areas are also typically over-represented compared with others.

It is important that open questionnaires are accessible to all, but without allowing multiple completions (by the same people) to distort the analysis. Therefore, while making it easy to complete the survey online, ORS monitored the IP addresses through which surveys were completed. A similar analysis of “cookies” was also undertaken – where responses originated from users on the same computer using the same browser and the same credentials (e.g. user account). A few submissions were received with duplicate cookies, but none were considered to be identical responses or appeared to be attempting to skew the results; so we have not excluded any online submissions on the basis of a duplicate IP address or cookies. Similarly, no paper questionnaires returned to ORS were considered to be duplicate responses.

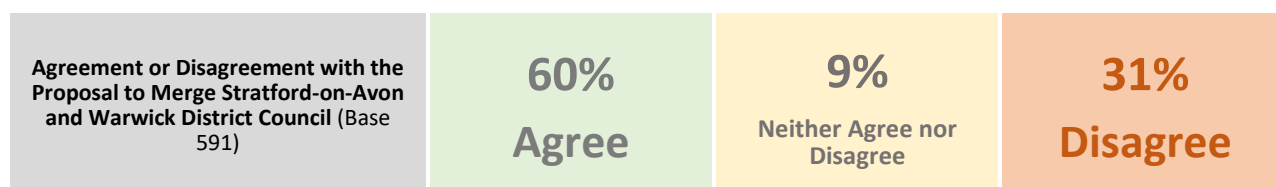
2.6.8 With the explanation of the reliance that can be placed upon the quantitative results explained above, a summary of the results of the two separate exercises is provided below.

2.6.9 Residents Telephone Survey

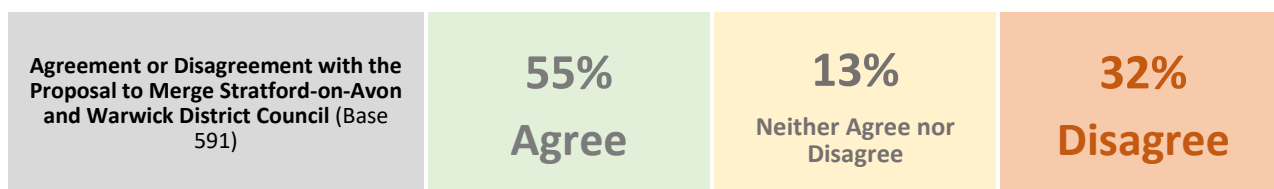


In relation to the responses from the telephone survey in the individual areas to the second question, the results from Stratford-on-Avon and Warwick varied as follows:

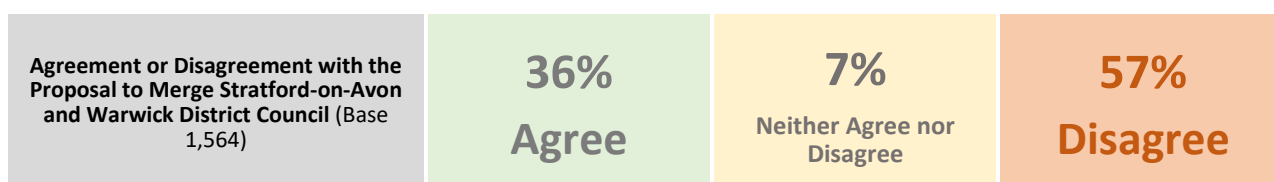
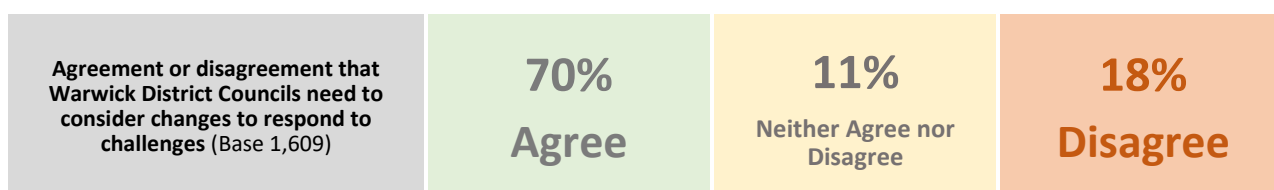
Stratford-on-Avon District Council area:



Warwick District Council area:

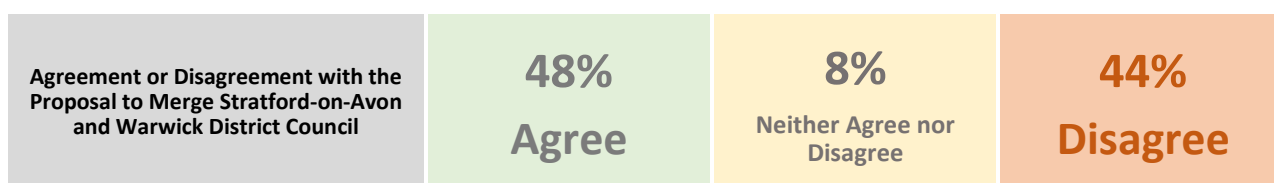


2.6.10 Open Consultation Questionnaire

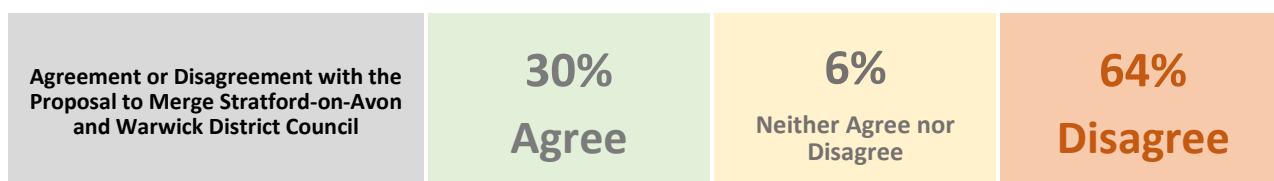


As with the residents' telephone survey, the results of the open questionnaire varied but more significantly so at the individual Council area level. These results are as follows:

Stratford-on-Avon District Council area:



Warwick District Council area:



The results of the open questionnaire can also be analysed by the different stakeholder groups. In response to the proposal to merge, the responses by each of these groups is as follows:

	Base	Agree %	Neither Agree nor Disagree %	Disagree %
Overall Figures	1,564	36%	7%	57%
Personal	1,441	34%	7%	59%
On Behalf of a Business or an Organisation	28	71%	7%	21%
Local Council Employee	95	55%	9%	36%

2.6.11 The results of the focus groups and the open-ended questions for both the residents telephone survey and the open consultation exercise provide a rich source of evidence to help shape future proposals. In relation to these elements the key findings were as follows:

- Contacting a councillor and a possible 'democratic deficit' i.e., in the event of councillor numbers being reduced (although at this stage the actual level of reduction is unknown).
- Importance of maintaining access to council services.
- The need to take account of differences between areas and treating them equitably.
- The complexity of the transition process.
- The future role of town and parish councils, voluntary sector bodies, etc.

If any new Council were to be created, these kinds of concerns would therefore need to be addressed and/or mitigated as far as possible, to ensure a successful, well-supported transition.

2.6.12 The ORS report made the following comments in relation to whether the results of the consultation suggested that the proposal for Stratford-on-Avon and Warwick to merge received a "good deal of local support":

Based on the findings from the residents' survey, an absolute majority of the general public across the two districts (and of organisations responding via the questionnaire) agreed with the proposal, which would therefore evidence a 'good deal of support' for the merger. The views of some other stakeholders, especially respondents to the consultation questionnaire and participants at

the residents' focus groups, were somewhat more divided; though equally, there was also no overwhelming consensus *against* the proposal, with a number of respondents/participants being in favour. Similarly, there was widespread agreement with the case for change across the consultation activities, and many participants in the other focus groups (involving local authority staff, town and parish councillors, and voluntary sector representatives) foresaw potential opportunities as part of any merger, indicating some support for the proposal. Finally, more of those providing a written submission were in favour of the proposal than were against it.

- 2.6.13 There were concerns raised throughout the consultation surrounding issues including ability to contact Councillors and the future role of town and parish councils.
- 2.6.14 In relation to the ability to contact Councillors, if the proposal to merge is approved and then agreed by the Secretary of State it will be for the shadow Council to make recommendations to the Local Government Boundary Commission for England in relation to how many Councillors it feels would be appropriate for the South Warwickshire District Council and this decision can take into account the ability for Councillors to serve their communities.
- 2.6.15 In regard to the role of the Town and Parish Councils it is recommended that should the proposal be approved by both Stratford-on-Avon District Council and Warwick District Council a working group be formed to undertake a community governance and function review to help determine the options available for reform within the South Warwickshire area (see recommendation 6).
- 2.6.16 It is also proposed that further work is developed and communicated to address other emerging themes that have been raised during this consultation in due course, as both Councils continue to work together in partnership.

2.7 Report from the West Midlands Employers (WME)

- 2.7.1 In response to issues raised by the Trades Unions and to address Member concerns about a range of potential differentials between the two staff teams, WME has been commissioned to assess and give recommendations and an outline of costs. Initial advice has indicated that this is a significantly difficult area and requires much more deliberation and discussion by Councillors preferably in consultation with staff and the Trades Unions and this has led to one of the recommendations in this report (see recommendation 7).
- 2.7.2 In essence the initial advice confirms that a harmonisation of terms and conditions is not required in law. However, a mid to long term continuation of a situation where there are notable differences in terms and conditions especially pay, would challenge attempts to create a One Council approach amongst staff and could well heighten staff turnover and so disrupt service delivery.
- 2.7.3 WME have identified the following high-level options:
- No change
 - Choose an approach to bring about a harmonisation of terms and conditions especially pay with no financial cap
 - Choose an approach to bring about a harmonisation of terms and conditions especially pay but with a financial cap.

- 2.7.4 It is proposed therefore that WME complete their advice and that a process of discussion and consultation is undertaken with staff and trades unions and that a further report on the outcome is provided for discussion and decision on a way forward. In the meantime, the Joint S151 Officer has set out a high-level cost implication for pay protection assuming that a model of harmonisation is adopted (see Appendix 12).

2.8 **Other Background Information**

- 2.8.1 Since February 2021 the two Councils have already been bringing services, procurement, policy development and management together. There have been numerous areas of joint working including shared research and reports to respective Cabinets, OSCs and Leaders decisions in respect of themes such as:
- The Cabinet portfolios for both Councils are fully aligned
 - Jointly Tendering for the Refuse and Recycling Contracts
 - Developing jointly a South Warwickshire Local Plan
 - Developing a joint Regulatory Services Enforcement Policy
 - Developing a South Warwickshire Economic Strategy
 - Developing proposals for shared accommodation for the two Councils
 - Agreed a shared set of ambitions regarding the Climate Emergency and a joint Climate Change Action Programme
 - Joint Staff/HR policies agreed
 - Agreed and have appointed a Transformation Programme Manager and Programme Support Officer
 - Fortnightly meetings with Unison (both branches)
 - Communication Hub for all Staff and Councillors of both Councils established – South Warwickshire Together Hub
 - Leaders and CEOs meet fortnightly
 - Joint Management Team meets weekly (started from 2 August with Head of Place and Economy appointed on 4 August – (two vacancies immediately saved)
 - Development of a Joint Digital Strategy
 - Commissioning of options appraisal for a Joint HQ accommodation and drop in sites
 - Research of the experience of the three recent District Council mergers in 2019: (East Suffolk; West Suffolk; Somerset West and Taunton)
 - Research of other attempts at mergers: (South Hams and West Devon; Babergh and Mid Suffolk)
 - Research with other Councils presently considering merger (Vale of White Horse and South Oxfordshire)
 - Research of other Councils where only service integration has taken place: i.e. Redditch and Bromsgrove; Wychavon and Malvern Hills
 - Discussions with the LGA and various civil servants
 - Research on the Levelling Up proposals and the prospects for the forthcoming White Paper.

- 2.8.2 All of this activity is consistent with the resolution of the two Councils in February 2021. Savings have already been delivered with the gains from the merging of the two management teams expected to increase to around £537,000 by 2023/24. In the course of this work Members have also asked for additional or updated information on issues such as potential redundancy costs; pay harmonisation; and other transitional support costs. The Finance Section of this report addresses these issues.

3. Consideration of the Proposal for SDC and WDC to merge

- 3.1 As can be seen from the above, since the Council meetings in February a significant amount of work has been undertaken to provide information for Councillors to determine whether both SDC and WDC wish formally to make a submission to the DLUHC to create this new entity. In dialogue with the DLUHC, any submission which is made seeking Parliamentary approval will need to address three specific criteria, these being:

- *improve the area's local government;*
- *command local support, in particular that the merger is proposed by all councils which are to be merged and there is evidence of a good deal of local support; and*
- *the area is a credible geography, consisting of two or more existing local government areas that are adjacent, and which, if established, would not pose an obstacle to locally led proposals for authorities to combine to serve their communities better and would facilitate joint working between local authorities.*

- 3.2 Each one of these criteria is considered in turn making use of information and advice collected as required by the resolution in February 2021.

3.3 Improve the area's local government

- 3.3.1 Of the three criteria the most significant driver for both authorities is to improve the area's local government. It was identified within the Deloitte report that there are significant benefits which can be derived through such a merger. These can be summarised as follows:

- Delivery of significant net savings as envisaged in the Medium-Term Financial Strategies
- Improved leadership, presence, influence, and strategic voice
- Enhanced partnership working
- Increased service resilience
- Improved customer experience for residents and business
- Strengthened workforce opportunities arising from a larger workforce.

- 3.3.2 In addition, the wider local government in South Warwickshire would benefit:

- Enhanced opportunity for devolution to local communities (parish and town councils)

Delivery of significant net savings as envisaged in the Medium-Term Financial Strategies

- 3.3.3 The Finance section of this report sets out in more detail the expected financial benefits that could be delivered through a merger, along with an updated assessment of the cost of implementation. There are upfront costs associated with implementation. Nevertheless, the proposal to merge would enable the new Council to be put on a sustainable financial basis, saving estimated at £5.3 per annum by year 4 so that it has the best chance of retaining and improving its services for the communities it exists to serve. Without this benefit then all else falls.

Improved leadership, presence, influence, and strategic voice

- 3.3.4 In addition, there are non-financial areas where creating a new District Council for South Warwickshire will benefit residents and businesses. It would better provide a consistent political position across a larger and still local area, with a single set of priorities and a single voice. The voice of the communities of South Warwickshire is currently muted because it is divided between two District Councils and so can be drowned out when considered at a County wide level, a Sub-Regional level or at the West Midlands Combined Authority level, let alone at the National level.
- 3.3.5 Although the two Councils have already followed this approach in tackling the climate emergency locally through a joint Climate Emergency Action Programme, developing the new joint refuse and recycling service, and the new joint Local Plan for South Warwickshire, these are still compromised by the necessity to manage differing organisational ambitions and priorities. The retention of separate Council entities also means that there is a lack of a single political leadership and voice at a time when more is being sought by Government (see recent thoughts of the DLUHC Secretary of State on Levelling Up to the House of Commons Committee for LUHC) of local political leaders. This is a distinct disadvantage.
- 3.3.6 A new South Warwickshire District Council would have a stronger voice with regional partners on themes such as the economy, education, and highways issues. Following a recent discussion with the CEO at East Suffolk (which merged in 2019) he reported that the new council:
- *Has a stronger and prominent voice in the region, going from two medium sized districts to one representing a population of 250k and wide range of businesses and economic sectors*
 - *Has much greater influence with stakeholders and is regarded very differently by stakeholders since becoming a single entity.*
 - *Is viewed by the private sector as prepared to deliver change and get things done.*
 - *Has delivered tangible benefits to Suffolk Chamber's members in the area and the wider business community.*
 - *Has benefitted from Officers gaining a breadth of experience and also now not having to support two councils, with 2 governance structures etc. This has created more dedicated capacity to address challenges within the economy and the community.*

- *Culturally, the new council has embedded a business-like way of working across its other functions.*
- *Business-friendly political decision-making has been sharpened. Communications, consultations and partnership working have improved as the new council has been able to deliver a more integrated and responsive strategic approach to working with businesses.*
- *Is now more enabled to receive significant funding and support for major projects within the East Suffolk area.*
- *Has received more recognition from national bodies such as the Arts Council, Heritage England and Homes England.*
- *Is viewed as very much 'on the radar' of central government, being regarded as a 'progressive and ambitious council'.*
- *Is recognised as a strong regional partner such as the Coastal Partnership East, a joint approach to coastal management with Great Yarmouth BC, and North Norfolk District Council.*
- *As with West Suffolk, who also merged at the same time, are experiencing positive change in their effectiveness and impact.*

This response indicates the substantive benefits of the approach now being proposed for South Warwickshire. It is particularly relevant given its comparable scale. A South Warwickshire District Council would have a population of 273,000 estimated to grow to 300,000 by 2030 and it would cover more than half of the county of Warwickshire. Like East Suffolk, South Warwickshire would encompass a range of nationally significant companies (JLR, National Grid, UKBIC), critical economic sectors (High Value Engineering, Games, Culture/Creative, Tourism), nationally significant institutions such as Warwick University and the RSC, and, of course, national icons such as William Shakespeare and Warwick and Kenilworth Castles.

Enhanced partnership working

- 3.3.7 The footprint of the proposed new South Warwickshire District Council coincides with the footprint of the statutory South Warwickshire Community Safety Partnership. Aligning a new District Council's operations with those of the Police and other partners in the statutory partnership will aid co-ordination of a new Council's efforts by having a single team and a single political direction. Warwickshire Police is supportive of this approach.
- 3.3.8 It would also coincide with the emerging South Warwickshire Place Partnership. This is part of the emerging Integrated Care System (ICS) for the Coventry and Warwickshire sub region which contains four Places, one of which is the South Warwickshire area. Papers considered by WDC in November and SDC in December show how a more integrated approach to health and well-being and an emphasis on delivery at Place can deliver improvements for the local communities. SWFT is supportive of the proposed merger.
- 3.3.9 The new District Council would also align with the footprint of Shakespeare's England, the Destination Management Organisation for South Warwickshire that seeks to give direction for the tourism sector of the area and to promote it. The footprint also coincides with that of the University of Warwick which has part of its main campus in the WDC area and also has a campus at Wellesbourne in the SDC area. The same is also true for the Warwickshire College Group which has four of its seven locations within the South Warwickshire area.

- 3.3.10 Dissolving the two District Councils and creating one new District Council for these partnerships and key partners will help to deliver better results for local communities, co-ordination will be easier, duplication of effort will be reduced and accountability, both political and operational, will be clearer. This duplication and accountability applies to the member side as it does to the officer input and is the distinction between options for a full political merger and merely for staff integration.

Increased service resilience

- 3.3.11 A merged Council would have increased strength and resilience. The new Council would have a larger pool of staff than either SDC or WDC have in isolation. This in turn would ensure that it could better respond to challenges such as the recent COVID pandemic. The pandemic has stretched the capabilities of both Councils to the very edge both in financial and in service delivery terms. Both Councils will remain vulnerable in these circumstances should they remain as separate entities. Merging will reduce this vulnerability.

Improved customer experience – residents and business

- 3.3.12 By working together service transformation is already under way and can go further. The joint work has already enabled a new joint refuse and recycling service to be introduced across the two Districts from August 2022. This revised service will ensure the collection of food waste on a weekly basis as required by the recently approved Environment Act. It will also ensure that a wide range of recyclables are collected and taken to a sub-regional Materials Reclamation Facility (MRF) in which both Councils have invested alongside the other District/Borough Councils in Warwickshire, Coventry, Solihull and Walsall Borough and City Councils (but not Warwickshire County Council).
- 3.3.13 Housing is an example of where service benefits can be delivered that are currently restricted by the distinct entities. The Housing Revenue Account (HRA) held by WDC as a result of retaining its Council housing stock, would be expanded to cover the SDC area. This would mean that the wider South Warwickshire area would be able to deliver more council owned housing especially at social housing rent levels. This will clearly benefit local people and especially those on lower incomes giving them more opportunity to live as well as work in the area, especially in villages.
- 3.3.14 The Digital Strategy being considered by both Councils this month sets out how together the new Council could deliver services fit for the 21st Century to the citizens and businesses of South Warwickshire. This will require significant resources and will be easier to decide upon via a single entity than by two, since the ICT and other resources currently held could be pooled to deliver this Strategy. The Digital Strategy has the power to transform public services in a way focused on customer needs. It will underpin a customer access strategy and an asset-based strategy especially for office accommodation. It is anticipated that in such dramatic ways it will be possible better to serve our residents, businesses, and communities whilst further reducing proportionate running costs.
- 3.3.15 For example, currently the combined cost of HQ accommodation is £1.2m a year. Both existing premises are too large for current needs. The needs have reduced further because of hybrid working amongst staff. This switch to hybrid working was done in both cases on an emergency basis and needs to be properly underpinned by the Digital Strategy. Sharing premises and reducing the scale of need for premises will help to substantially reduce the

£1.2m annual running cost. It will also deliver capital receipts for reuse. This would also have a significant benefit in reducing CO2 emissions. A political merger would make this step easier to achieve than if both Councils remained separate. There are few cases nationally where Councils sharing services have also shared HQ accommodation.

- 3.3.16 A consistent approach over a larger and still local area would also be easier for local businesses. This would be important in areas such as planning, building control, licensing and environmental health. The proposed Joint Enforcement and Business Regulation Policy is an example of what can be achieved in this respect. The emerging Economic Strategy also gives an indication of the power of the opportunity of the proposed merger. The ambition of this merger proposal is that it can strengthen local government within South Warwickshire by transforming the way in which services are delivered.

- 3.3.17 The converse is also true. If there is no progress made on the merger and the expected savings cannot be delivered there will be a significant risk to the continued provision of services which are valued by the public such as leisure, public toilets, CCTV, parks and open spaces. Statutory services are not precluded from this risk either as there is often wide discretion in the level or the way in which they are delivered.

Strengthened workforce opportunities arising from a larger workforce

- 3.3.18 It is recognised there will be an unsettling period for staff as the Councils move forward. There would, however, also be benefits for staff who, through working for a larger council, would have more opportunities for development and progression. SDC has circa 300 employees and WDC circa 500 so the new Council would have circa 800 employees. Whilst it is expected that the establishment would reduce somewhat, the new Council would be a substantially larger employer with greater capacity to continue to invest in training and development of staff and in the medium to longer term more career opportunities within it.

Enhanced opportunity for devolution to local communities (i.e. parish and town councils)

- 3.3.19 The creation of the new District Council presents a significant opportunity to enhance the wider local government within South Warwickshire. This is unlikely to be so with Warwickshire County Council, given its preference for unitarisation as a form of change for local government county wide, though it shouldn't be ruled out. There is the opportunity, however, to re-consider how services are delivered or where decisions are taken in relation to parish and town councils. Both SDC and WDC are wholly parished. They contain 145 parish and town councils, ranging from those that are very small and meet once a year to those like Leamington Town Council which has a larger population than at least one Unitary Council in the country. There are also however, a range of capacities, capabilities, and ambitions amongst these councils and these variations mean a 'one size fits all' approach should not be deployed. Given that there is a concern over a gap opening between the new Council and local people, a significant mitigation in the form of a community governance and function review is an approach that could be taken to address this concern. It also is a positive reaction to the many comments

raised by parish and town councils and by respondents as part of the consultation process.

- 3.3.20 There are examples from elsewhere in the country where a policy has been developed that creates a menu approach, so choices can be made appropriate to the needs and priorities of local communities. This could include for example, agreeing a delegation scheme for some planning proposals. Attached at Appendix 9 is an example of a policy framework from Cornwall County Council. It is suggested, that should the merger proposal be agreed, a joint Member Working Party be set up to discuss ideas and proposals with representatives of Warwickshire Association of Local Councils (WALC) and other key voluntary organisations. The intention would be to develop a policy and commit to subsequent discussions with interested parish and town councils around proposals to implement the policy for their areas. This approach should also address the issues where there is a difference in service provision between parishes and town councils – in the SDC area the parishes/town councils are burial authorities whilst in WDC its the District Council; as well as helping parish and town councils improve governance and capacity issues.

3.4 **Command local support, in particular that the merger is proposed by all councils which are to be merged and there is evidence of a good deal of local support**

- 3.4.1 Section 2.6 of the report refers to the consultation exercise which was undertaken between 9 September and 24 October in relation to the proposal for the two Councils to merge. In total responses have been received from around 2,200 individuals as well as a range of organisations which demonstrates that a thorough and inclusive exercise has been undertaken to establish whether the proposals command a “good deal of local support”.
- 3.4.2 At paragraph 2.40 of the Opinion Research Services comprehensive report which is attached at Appendix 8 is the main conclusions in relation to their exercise, this paragraph states:

“Based on the findings from the residents’ survey, an absolute majority of the general public across the two districts (and of organisations responding via the questionnaire) agreed with the proposal, which would therefore evidence a ‘good deal of support’ for the merger. The views of some other stakeholders, especially respondents to the consultation questionnaire and participants at the residents’ focus groups, were somewhat more divided; though equally, there was also no overwhelming consensus against the proposal, with a number of respondents/participants being in favour. Similarly, there was widespread agreement with the case for change across the consultation activities, and many participants in the other focus groups (involving local authority staff, town and parish councillors, and voluntary sector representatives) foresaw potential opportunities as part of any merger, indicating some support for the proposal. Finally, more of those providing a written submission were in favour of the proposal than were against it.”

- 3.4.3 Councillors will need to be aware that the Government when considering whether the proposal commands local support, views it in the round and not as a statistical count of those who simply say yes or not to a proposal. The Government has advised against referenda for such issues. In this case the consultation exercise indicates:

- There is significant support from all sources for the need for change

- There is significant support for the merger proposal from the telephone survey
- There is significant support for the merger proposal from organisations
- There is significant support for the merger proposal from staff.

3.4.4 The response to the open questionnaire is however contrary to the above but is dominated by responses from Warwick District and older age groups. This is a pattern that also arose in East Suffolk where the representative survey was supportive, but the open questionnaire was dominated by responses from one District which were not supportive. That it clearly did not then influence the Government's decision about the East Suffolk merger reinforces the advice that Councillors need to look at this aspect in the round and from that perspective it is reasonable to conclude there is considerable local support for the proposal.

3.4.5 It is worth Councillors noting that none of the other Councils in Warwickshire including the County Council have objected to the merger proposal. Largely they take the view that it is the business of the residents of South Warwickshire to determine as long as it is not seen as a sign of a desire to seek a wider Local Government Reorganisation. The County Council's response is more ambiguous, but it is certainly not an objection to the proposed merger. The County Council in their response did however state that they believed that instead of agreeing to the merger, DLUHC could choose to undertake a wider local government review for the area.

3.4.6 There are several specific issues that the consultation exercise has highlighted and if the decision to merge is agreed these need to be addressed. They are covered in more depth in Section 4 but are as follows:

- Contacting a councillor and a possible 'democratic deficit' i.e., in the event of councillor numbers being reduced (although at this stage the actual level of reduction is unknown).
- Maintaining access to council services.
- Taking account of differences between areas and treating them equitably.
- The complexity of the transition process.

The future role of town and parish councils, voluntary sector bodies, etc.

3.4.7 Nonetheless, this proposal does command "a good deal of support" for the merger.

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

3.5.1 As members will be aware in Warwickshire there is currently a three-tier structure of local government. Warwickshire County Council provides county-wide services such as education, highways and social care; the district and borough councils provide more local services in each area such as refuse and

recycling collections, environmental health, planning and development, parks and open spaces, and leisure. In addition, the parish and town councils across Stratford-on-Avon and Warwick provide services which vary slightly between the two areas, but include services such as events, litter bins, parks, cemeteries, community centres etc. Both Stratford-on-Avon and Warwick District Councils were formed in 1974 and have well respected reputations for the delivery of local services to residents and businesses.

- 3.5.2 Both SDC and WDC have similar sized annual budgets of approximately £17m with a broadly similar net General Fund cost per head of population. They both serve a combination of urban and rural areas, with many challenges in common such as rural transport, traffic and congestion and affordable housing.
- 3.5.3 Both Councils have outsourced some of their services, including waste collection, grounds maintenance, street cleansing and leisure but also retain a range of services in house. There are though some differences in service provision. WDC has a retained Housing Revenue Account (HRA) and council housing. WDC runs the burial/cremation service whilst in the SDC area burials are the responsibility of the parish and town councils. WDC also runs an arts and cultural service including an art gallery, a museum and the Spa Centre. This difference could prove problematical if the intent were to reduce provision downward. This not the intention. A levelling up of provision across both Councils would deliver still further benefits to the public and to businesses. To reinforce this point, the Leaders of both Councils have committed to the retention of the HRA and of Council housing stock to serve the wider South Warwickshire area and likewise to the cultural services currently limited to the WDC area. This off sets the risk of a potential disposal of Council Housing stock (though a referendum of tenants is required by law, so it is not wholly within a Council's gift in any case).
- 3.5.4 SDC and WDC Councils adjoin each other (see Map 1). Together they make a coherent area in way that is not true for the County area as a whole separated as it is by Coventry City and Solihull Borough. The two Councils have together a substantive population – estimated at 273,000 and forecast to grow to 300,000 - by 2030. This scale is larger than two other unitary councils within the WMCA area – Solihull (210,000) and Wolverhampton (265,000) and larger than another two unitaries in the wider West Midlands – Telford (175,000) and Herefordshire (190,000). Geographically the new District Council would be larger than all of the unitaries in the WMCA and in the wider West Midlands. Only Shropshire unitary would have a larger area. In England, a South Warwickshire District Council would be mid table in existing unitary council size and would be one of the largest districts geographically and in population terms.
- 3.5.5 The populations of both Districts exhibit similar social and economic profiles, factors which disregard the Councils' boundaries. There is a significant number of people (circa 10,000 pre-pandemic) who live in one District and work in another. Owing to scale and geography, some parts of the SDC area

have greater access to services in the towns of Warwick and Leamington than they do to services in Stratford-upon-Avon. The General Hospital serving South Warwickshire is based in Warwick albeit with smaller facilities in Stratford-upon-Avon and in Shipston-on-Stour. Warwickshire College Group has seven locations. Four of them are in the South Warwickshire area drawing students from a wider area. The theatres, cafes and restaurants in Stratford-upon-Avon draw in audiences from the WDC area as does the Castle in Warwick from the SDC area.

- 3.5.6 There is a clear housing market across the southern area of Warwickshire covering the geographical areas of SDC and WDC. This is demonstrated by the significant difference in house prices in South Warwickshire compared to the northern parts of the County or Coventry. Within this South Warwickshire market, poor housing affordability is a major issue, with people on middle and low incomes struggling to afford any market housing, whether through ownership or private rented.
- 3.5.7 The economic geography is also a coherent entity demonstrated by the travel to work data, the coverage of the Destination Management Organisation for tourism and the functionality of significant organisations such as JLR and the University of Warwick both of which have sites in both Council areas. This geography is also underpinned by the main transport routes along the Chiltern Birmingham/London railway line, the M40 and the A46 trunk road which pass through both Districts.
- 3.5.8 There is already a recognised geography for South Warwickshire established through arrangements such as the South Warwickshire Community Safety Partnership, the Shakespeare's England Destination Management Organisation and the South Warwickshire Place Partnership (Health). In response to the pandemic the Incident Management Team was organised on a South Warwickshire basis.
- 3.5.9 Both Councils are within the same County of Warwickshire which is relevant to the consideration by Government that such arrangements should not cross County boundaries and nor should they prevent any subsequent formal reorganisation of local government – i.e. unitarisation. In this case, if Warwickshire were to be unitarised, there only two real options – either a north/south split or a whole County. In the case of the former then the new District Council would form the basis of the southern unitary. In the case of the latter, a merger of services will already have been undertaken in part.

4. Issues Arising

- 4.1 In considering the proposal for a merger, there are some issues, questions and challenges that have been raised by political groups from both authorities which are summarised and addressed below. Whilst no conclusions or decisions can be made at this stage in relation to the issues that will be subject to future deliberations by the Shadow Council if the proposal to merge is accepted, it is suggested that a group similar to the Joint Arrangement Steering Group is established to review and make recommendations on the following outstanding issues:
- It is possible that there would be fewer District Councillors than at present. Currently there are 36 Councillors at Stratford-on-Avon and 44 at

Warwick, a total of 80 across the area. A review of ward boundaries in SDC by the Local Government Commission (LGBC) is currently in progress based on an increase in the number of councillors to 41. The three recent examples of mergers have shown very different scale of changes in terms of the number of Councillors from a small handful to closer to 20. This will not be determined by the Secretary of State's consideration of a merger request but will be undertaken by a LGBC review which would follow the Government's decision, should it be in favour of the merger. Such a review would consider both the number of Councillors and the warding arrangements. Typically, this review can take a year and is why it is likely that elections would be deferred from May 2023 to May 2024. The Government would be asked that parish and town council elections would be similarly deferred. If there were to be a reduction, it would be important to ensure that there were good access channels to the Council and to Councillors.

- A larger Council could be seen as being more remote to our communities. Both Councils currently have strong links with our parish and town councils. The suggestion of a joint Member Working Party to work with WALC to undertake a community governance and function review is made to address this issue.
- The timing of formal meetings has been raised as an issue which could threaten the inclusivity of the new Council. WDC tends to have evening meetings to cater for Councillors who work during the day, whereas SDC tends to conduct earlier meetings. Council Leaders have, therefore, recommended that the principle of a "working council" will generally be applied to enable formal meetings of Council, Cabinet, Planning and Scrutiny Committees to take place in the evening.
- A careful balance would need to be struck to ensure that there would not be any diseconomies of scale, i.e., to avoid the Council becoming so large that it needed extra tiers of management or additional committee meetings as such arrangements tend to confirm that the Council is too large.
- There is a need to rectify a differential in service provision between the two Council areas and to ensure all areas are treated equitably even if there are differences in the circumstances of one location compared to elsewhere. In general, the plan would be to ensure that there is a consistent level of service provided to residents across the whole of the South Warwickshire area. This would mean in time there would be some changes to specific services which currently have a specific geographical location for their delivery and which arrangements will need to be made with the aim that there is a levelling up of service rather than a levelling down.
- At the moment each HQ normally provides a face-to-face service, but a consolidation of HQ accommodation could lead to the loss of that face-to-face service. In response as part of the appraisal of options on HQ accommodation will need to consider how face to face service can be provided as part of the pattern of service going forward.
- Related to this issue is the differential in Council Tax levels of around £27 per year between the rates that the two Councils charge (at band D). From other examples, especially in Suffolk, the Government has allowed a period of up to seven years (slightly less than £4 a year per household per

year) in which align these charges following the merger. Other fees and charges would also have to go through a process of alignment.

- There is a significant service differential in the sphere of housing where WDC has retained a HRA. In the case of a merger, the HRA would encompass the whole of South Warwickshire and so expand new possibilities for social housing. The Council Leaders have confirmed that there are no plans for disposal of the WDC Council housing stock, rather expansion being the intention.
- The SDC Liberal Democrat group has identified a number of areas which they would wish to be reviewed by the proposed working group. Acknowledging that a number of these issues have already been identified these include the following:
 - Electoral representation, ensuring that there is the right number of Councillors for the new South Warwickshire District Council;
 - Best practice in social housing between the two authorities is considered noting the national position of South Warwickshire in terms of housing affordability, including the extension of the HRA and the Milverton Homes Housing Company;
 - The work on the joint local plan continues in placing Climate Change considerations at the forefront of plan making;
 - There is working towards maximum engagement with town and parish councils, to include discussion about functions;
 - A review of the planning committees is undertaken and a wider review of the democratic governance models;
 - A timetable and methodology towards council tax harmonisation is established which is fair and equitable for stakeholders;
 - That there is ongoing consultation with all councillors to address their concerns.
- The lack of a referendum has been raised as a criticism of the consultation process. The Government has made it clear in response to a referendum on the unitarisation of Somerset this summer that it disapproved of this approach. It subsequently took no notice of the result produced from a low turnout poll, but which had cost over £200,000 to run. A referendum generates a very strict yes/no answer. It does not allow parish and town councils, organisations, or businesses to take part nor does it provide any granularity or depth of response. Unlike the proposed Council Tax referendum planned by WDC in 2020 it is not required by law. The decision in law whether to make a submission rests with Councillors alone. The elements involved in this case give breadth of participation together with a depth and granularity of response in ways which demonstrate value for money.
- Similar issues arise in relation to the criticism that a Citizens Inquiry approach was not used as the consultation approach. Such an approach is good for in depth investigations on issues but accordingly take a long while to undertake and are resource intensive. As with referenda as an approach it does not readily enable parish or town councils, organisations, or businesses to participate. Given that the Government's view on commanding local support is of taking the response in the round the Citizens Inquiry approach has depth but not the width of participation necessary.
- The process of full merger will be complex and could involve a level of disruption before the full benefits would be achieved. The disruption that

would exist from having to individually deliver the level of savings required by each authority, however, could be just as extensive and disruptive.

- The financial section of this report and Appendix 12 indicate that each Council will need to make provision in its forthcoming budget for the one-off costs of supporting the merger process and is recommended accordingly.
- Differences in organisational culture amongst councillors and staff has also been identified as an issue. It is inevitable that organisations which have existed for over 50 years will have developed particular organisational cultures both politically and at a staff and service level. There are some similarities and some differences. Should a merger be agreed, it is proposed that workstreams to develop a new culture reflecting the best of both organisations are established to develop a new approach for a new organisation that is neither SDC nor WDC.
- The legal process for the merger has also been raised as an issue. This is covered in the section on legal implications as is the risk of a wider local government review being instigated in response to a merger request.

- It is worth commenting on the issue of a subsequent change of mind should a request for a merger be made. The legislation does not appear to make provision for a change of mind once a request has been. The reasonable assumption to take at this juncture, therefore, is that it is not possible. There are no examples of a change of mind in relation to a merger once the request has been made.
- Options on what the Councils could do if there was to be a decision not to merge are set out in Section 6 below.

5. Commissioning of an external agency to produce the submission document to the DLUHC should Council support the proposal

- 5.1 Should both SDC and WDC agree that it is in the best interests of both authorities to merge to become a South Warwickshire District Council it will be necessary to make a formal submission to the Secretary of State at DLUHC. To assist the Councils in relation to the submission, PA Consulting Services have been appointed to produce a submission document.
- 5.2 PA Consulting Services have supported other authorities through Local Government Reviews, including a recent exercise in Cumbria where the Government has supported the implementation of a two unitary model for the County area.
- 5.3 The audience for this document is explicitly the Secretary of State for the DLUHC and the officials of that department. The submission document has been prepared specifically to address the three criteria that have been identified by Government as being essential for the merger of authorities. The PA Consulting Services document concentrates on how such a move would support local government in the place and unleash the potential of the two authorities. The draft submission is attached at Appendix 10 for agreement should Members of both Councils agree to the request to seek a

merger. The submission will need to be accompanied by a letter to the Secretary of State for Levelling Up, Housing and Communities.

6 Alternative Options available to Cabinet/Council

6.1 In considering how the two Councils can work together to provide efficiencies, ten specific options were considered. It was clear from the analysis of the options that merely sharing some services would not make sufficient financial savings and still leaves considerable duplication.

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

6.3 By way of summary the ten options which were reviewed are laid out below:

6.3.1 *Option 1 - Do nothing – make no changes to existing Council positions*

Under this option the Councils would continue to share a Senior Management Team. This was implemented in August this year, but no further changes would be made. Under this option the Councils would need to hope that the Government will not further reduce funding and hope that costs will not increase. This approach would be extremely risky and highly unlikely. The Government is expected to make significant reductions in funding in coming years, following the impact of the COVID pandemic.

6.3.2 *Option 2 - Revert to working as two separate Councils*

This option is similar to Option 1 but would actually involve undoing the arrangements that have already been put in place. These arrangements are expected to save over £200,000 in the current year and will increase to over £400,000 per year by 2023/24. Therefore, on top of all of the challenges described in Option 1, further savings of £400,000 per year would need to be identified to support both Council's budgets. If both Councils were required to reduce costs in isolation, the scale of the reductions would be significant. Discretionary services which our public enjoy such as leisure centres, CCTV, toilets, parks, and open spaces would be most affected. We are not allowed to cease statutory services such as planning, environmental health, and licensing though even they can be affected.

6.3.3 *Option 3 - Expand partnership working to work with other partner Councils*

There are tangible links which already exist between the communities of Stratford-on-Avon and Warwick. If at this stage other partners were approached, such strong links would not exist. It is already challenging in operating across two local authority areas. Whilst there may be more opportunities to deliver savings, the proposal would become more complex and would involve greater risk of failure. It also requires willing partners and there are not obvious.

6.3.4 *Option 4 - Continue to expand sharing services between Stratford-on-Avon and Warwick District Council, but do not merge politically*

As explained under Option 1, this approach has already started and there is already a joint Senior Management Team. Under this option though, all services and teams from across the two Councils would come together. It is

anticipated that over the next three years there will be a need to save significant costs and the approach will also increase resilience. This option falls short, however, of creating a merged authority. It would result in both Councils remaining with two sets of accounts, two auditors and two sets of councillors that will both have all of their own committee meetings to service. Whilst this approach would make significant financial savings, it would still leave considerable duplication of functions across the two Councils.

6.3.5 ***Option 5 - Create a new single District Council for South Warwickshire***

Under this option both Councils would be abolished and a new District Council covering the whole of South Warwickshire established covering the area. There would be one set of councillors who would set the vision and direction for the newly formed Council. This is an option that we can directly ask the Government to consider at this stage, as it only relates to both Stratford-on-Avon and Warwick District Councils. It is not considered as full "Local Government Reorganisation" which would require an invitation from Central Government.

6.3.6 ***Option 6 - Create a Unitary Council for South Warwickshire and join the WMCA***

This option would involve abolishing Stratford-on-Avon and Warwick District Councils and transferring existing County Council responsibilities to a new unitary council which would be responsible for the delivery all services. This approach would be considered as formal "Local Government Reorganisation". In addition, if formed it would seek full membership of the West Midlands Combined Authority (WMCA). The WMCA was formed in 2016 and includes the whole of Warwickshire. Neither the Districts nor County Council are full members. The WMCA has key roles in relation to transport projects, building new homes, the economy and further education. This approach may be desirable in the longer term, but again would not be deliverable without wider "Local Government Reorganisation".

6.3.7 ***Option 7 - Create a Unitary Council for South Warwickshire***

This option is fundamentally the same as option 6. This approach is not being considered at this stage as Central Government is responsible for launching this type of review. It would also not be possible to consider this approach for South Warwickshire in isolation, as it would have significant implications for the rest of the county area of Warwickshire. Earlier reports have identified that this option may provide greater savings and it is possible that this approach may be considered in the future.

6.3.8 ***Option 8 - Create a Unitary Council for the whole of Warwickshire***

In essence this option is the same as option 6 although instead of creating a unitary authority for South Warwickshire, however, one would be formed for the whole of the County Council area of around 600,000 residents. There

would be issues involving significantly differing levels of Council Tax (circa £100 and £75 difference between SDC and WDC and the northern Boroughs and Districts) across the County that would need to be resolved under this option and there is a risk that the organisation would feel too remote from residents. As with Option 6 and Option 7, this approach would require "Local Government Reorganisation" and, therefore, it would be necessary to wait for an invitation from Government in order to progress this option.

6.3.9 ***Option 9 - Create a Unitary Council for the whole of Warwickshire and join the WMCA***

This approach is the same as option 8. When formed full membership of the West Midlands Combined Authority would be sought, the merits of which are discussed in Option 6. This approach is discounted at this stage, however, as it would also require wider "Local Government Review".

6.3.10 ***Option 10 - Set up Private Sector Company to deliver all local services on behalf of Stratford-on Avon and Warwick District Councils***

This option would involve the coming together of teams across the two district authorities which would then lead to the establishment of a private sector company into which staff would be transferred. This approach has been used across the country when looking at specific service areas such as housing companies and has also been used in waste partnerships. It has not been used for all Council services. There are concerns that such an approach has not been tested to the full and also could commercialise the approach to residents and businesses creating a gap in local democracy. This approach has also, therefore, been discounted at this stage.

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

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

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

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

6.6.1 To support the proposition for the creation of a South Warwickshire District Council and make a formal submission to the Secretary of State for the Department of Levelling Up, Housing and Communities;

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

6.7 If, however, Members are minded to adopt the latter course of action and vote accordingly, they will also need to immediately consider what other options the Councils should pursue to address their financial challenges bearing in mind that both Councils will need to decide their respective

budgets in the February/March 2022 and both existing MTFS are based on savings from the merger contributing toward the projected deficits.

- 6.8 In terms of the availability of other options, of the ten, then the four unitary options are not within either Councils' gift to implement. In any case, even on the assumption that the required invitation for Local Government Reorganisation proposals is issued by the Government, on the recent experience of Cumbria, North Yorkshire and Somerset, it will take a year for the decision-making process to be completed and another year and a half to create the new Councils. In the meantime, no saving of the transformational nature will be capable of being implemented. It would be too late for both SDC and WDC to take action other than to use, and potentially exhaust its reserves given the time profile of the need to make savings.
- 6.9 Option 10 is highly risky. Given the procurement processes involved it is not a quick route. This militates against its deployment given the timescales to address the financial challenges. Option 1 is essentially a do-nothing option at a time when a do something option is needed. Option 3 creates the challenge of finding other worthwhile partners with whom to work. This would take time to put into place, if possible. Time is against the Councils, irrespective of the reputational impact on partnership working of either or both Councils deciding against a merger. Should Option 5 have also been decided against, this leaves Option 4 as a strategic approach – i.e. service integration only and Option 2 – i.e. undoing the current joint work and dealing with the forecast deficit alone.
- 6.10 Option 4 leaves an inherent risk of always being prey to the "slings and arrows of outrageous fortune" also known as politics, which can cause conflict, build in duplication and inefficiencies. Members would also need to consider the risk that if one Council voted to merge and the other not, would the appetite for joint work in any shape or form be the same. The experience of South Hams and West Devon where this situation arose in 2018 was that it took time for the wounds to heal and for joint working to pick up again. In fairness it was subsequently aided by new political leadership in charge at both Councils. This suggests the need for more time to recover and so plays against both Councils' needs. Councillors will also need to consider the impact on staff of an approach which in essence exposes staff to change but which leaves Councillors exempt.
- 6.11 In Option 2 each Council goes its own way, undoing the current level of joint work where possible though this raises issues about contractual commitments such as the joint refuse collection and recycling service. As an approach its focus is upon replacing the savings envisaged by the merger from other approaches. Given that both Councils need to have other proposals to address the forecast deficit in any case, this approach will place more pressure on service reductions as the answer to the financial challenges.

7 Consultation and Member's comments

- 7.1 Consultation on the proposals has been referred to elsewhere within this report. Members have been involved in a number of ways over the life of this

joint work and many aspects of the report seek to address issues raised by Members of both Councils.

8 Implications of the proposal

8.1 Legal/Human Rights Implications

- 8.1.1 Should both Councils agree to submit a merger request to the Secretary of State for Levelling Up, Housing and Communities at this meeting, the decision-making process is relatively straightforward.
- 8.1.2 It is important to recall that Government officials have previously indicated that the merger proposal would need to be received by the Department by the end of this year in order for a new South Warwickshire District Council to be brought into existence in April 2024.
- 8.1.3 In terms of what happens once the merger request has been received, there is likely to be a delay of some months whilst the Department considers the request. The Statement made by James Brokenshire, former Secretary of State for Housing, Communities and Local Government to the House of Commons back in July 2019, however, gives some insight into the thought process:-

"On district council mergers, I confirm that where two or more district councils submit a proposal to merge, I will assess this against the criteria for mergers which we announced to Parliament in November 2017 and which we have used since then. The statutory process for such mergers does not involve my inviting proposals, and I recognise that particularly small 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.

The criteria for district council mergers are that, subject to Parliamentary approval, a proposal to merge would be implemented if I had reached a judgement in the round that if so implemented it would be likely to:

- improve the area's local government;*
- command local support, in particular that the merger is proposed by all councils which are to be merged and there is evidence of a good deal of local support; and*
- the area is a credible geography, consisting of two or more existing local government areas that are adjacent, and which, if established, would not pose an obstacle to locally-led proposals for authorities to combine to serve their communities better and would facilitate joint working between local authorities.*

This statement is intended to provide clarity to councils and communities and help ensure that time and effort are not wasted on pursuing proposals which are unlikely to get the go ahead. It is important that those seeking to pursue locally led proposals are confident that there is a broad basis of common local support for the proposals to avoid unnecessary local conflict and distraction from the delivery of quality public services. The statement underlines the need for any proposals to be innovative, improve services, enhance accountability, have local support and deliver financial sustainability if they are to be taken forward.

Moreover, restructuring is only one of the different ways that councils can move forward. Joint working with other councils and partners could also be an

appropriate and sustainable way forward. Such joint working can take a variety of forms ranging from adopting joint plans, setting up joint committees, and sharing back office services, to establishing Combined Authorities, and may extend across county boundaries. Those in an area will know what is best – the very essence of localism to which the Government remains committed.”

- 8.1.4 To summarise, if the Secretary of State reaches a judgement that in the round the three criteria listed above are met then, and only then, Section 15 of the Cities and Local Government Devolution Act 2016 is triggered, under which the Secretary of State will produce a set of Regulations/Order. Section 15(5) of the Act provides that any regulations/order made can only be made with the consent of the local authorities to which the regulations/order apply. Together, these instruments would provide for two things:
- The abolition of Stratford-on-Avon and Warwick Districts and their District Councils and the creation of a new South Warwickshire District Council to cover the same contiguous, geographic area; and
 - To provide that the Local Government and Public Involvement in Health Act 2007 Act be varied in its application so that both Councils can make proposals for boundary change in their area to the Secretary of State rather than to the Local Government Boundary Commission and allows the Secretary of State to implement those proposals by order under section 10 of the 2007 Act.
- 8.1.5 The Regulations/Order are likely to make provisions about electoral arrangements, governance arrangements, their constitution and membership, and structural and boundary arrangements. The term “governance arrangements” here means the arrangements operating for taking decisions under executive arrangements in the Local Government Act 2000.
- 8.1.6 The statutory power is said to enable the Secretary of State to effect changes simply and efficiently. Once made, the Regulations/Order are then subject to the “affirmative” procedure in Parliament and may include transitional, transitory or saving provision. The affirmative procedure is a type of parliamentary procedure that applies to statutory instruments. Under the affirmative procedure the Regulations/Order must be actively approved by both Houses of Parliament.
- 8.1.7 At the same time as the Secretary of State lays the Regulations/Order before Parliament he is also required to lay a report in Parliament to explain what the Regulations do, why they are being made, with details of any consultation taken into account, any representations considered, and any other evidence or contextual information he considers appropriate.
- 8.1.8 The Regulations will also set out how any changes are to be applied. Typically, this would involve establishing a shadow authority in the interim period up to the time when the new Council comes into existence, the purpose of which is to make decisions to ensure the smooth transition of the various required changes.
- 8.1.9 During this period, the Councils proposals for the size of the new Council, which would include the total number of Councillors for the new authority, will need to be put directly to the Secretary of State. The role of the Local Government Boundary Commission for England would be limited to determining the number of Councillors and developing new ward boundaries for the new Council.

8.1.10 Members should be aware that it is possible that in response to the request for a submission to merge, the Secretary of State could take the request as a signal for a desire for wider change and so decide instead to invite proposals for local government reorganisation. This could be mitigated by making it clear that there is no appetite for such a wider move. That is certainly the case in the replies from the other Borough and District Councils in the County. This risk of course exists in any case, as Warwickshire County Council (WCC) made a request for local government reorganisation in September 2020 and has not taken that request off the table.

8.1.11 A White Paper on Levelling Up and on potential devolution (County Deals) is awaited but information officers have sourced suggests that this will not be published before Councillors have to decide. In any case it is far from certain that the White Paper would promote or encourage Local Government Reorganisation and comments made by the Secretary of State for DLUHC and others have disassociated Local Government Reorganisation as a prerequisite for any form of devolution.

8.2 **Financial**

8.2.1 Like most of local government, both Stratford-on-Avon District Council and Warwick District Council need to make financial savings in future years. The main drivers for this are:

- Increased costs of service provision, with the cost of many services increasing in excess of inflation.
- Increased demand for services.
- Reductions in Government funding, including New Homes Bonus.
- Reductions in the Councils' share of Business Rate income.

8.2.2 In order to protect council services, it is necessary for financial savings to be secured. This is one of the main drivers for Stratford-on-Avon and Warwick District Councils working together, recognising the economies of scale that should be derived.

8.2.3 Some savings have already been achieved from the joint working, including the recently formed Joint Management Team. Further savings will be made as services are integrated over the next 2-3 years.

8.2.4 It will be possible for savings to continue to be made if the Councils continue to operate as two separate entities, but with the operation of the integrated teams. Both Councils have already agreed to this approach should the full merger not progress. However, maximum savings should be able to be made from a formal merger. The additional savings here will be generated as a result of having:

- A single constitution.
- A single set of policies and production thereof.
- A single Budget to set, monitor and a single Statement of Accounts to produce/audit.
- A single electoral role and set of elections.
- A reduced number of committees to service and fewer Councillors and formal positions e.g. Chairman, Leader, Cabinet Members, Scrutiny Chairs and Committee Chairs etc.

- 8.2.5 Savings from joint working were included within both Councils' Medium Term Financial Strategy in February 2021. Without these savings, the Councils would need to be planning on alternative savings/income or service reductions.
- 8.2.6 As highlighted in the Deloitte report at the start of this year, there will be one off-costs incurred in integrating services and forming the joint authority. These are considered in more detail in Appendix 12.
- 8.2.7 These costs have been re-assessed in more detail, taking into account more recent information. It is now estimated that savings would increase to £5.3m per annum by year 4 whilst one-off costs would amount to £4.5m. With estimated savings from service integration into the Medium-Term Financial Strategies of c£2.25m per annum, however, these costs should be recovered in two years. It will be necessary for both authorities to allocate funding within the 2022/23 Budgets, and subsequent ones, towards these one-off costs.
- 8.2.8 If the Councils do formally merge, it will be necessary for Council Tax to be "harmonised" within 7 years to a single level across the whole District area. Currently Warwick's Council Tax is £28 greater than Stratford-on-Avon's. This would be something to be considered in future years ahead of setting the 2024/25 Council Tax for the new authority.

8.3 **Council/Business Plans**

8.3.1 ***Stratford-on-Avon Council Plan***

The overall vision which guides SDC's Council Plan is as follows:

We are ambitious for the future of the District as an excellent place to live, work, learn, visit and invest.

The plan sets out our vision for Stratford-on-Avon District as a place in 2030 and for local government in 2030.

The core of the plan is a set of ambitions and actions for the Council over the next four years under five key objectives:

- *Working on regional, national and international stages*
- *Responding to the climate emergency*
- *Enhancing the quality of Stratford-on-Avon as a place*
- *Nurturing a thriving, innovative and inclusive economy*
- *Putting residents and communities centre stage.*

The draft Vision and Plan was the subject of public consultation in summer 2019 and the content was informed by two workshops with the Council's key local partners.

We look forward working with residents, local communities and our partners to deliver our ambitions for 2023 in the context of our longer term vision for the District.

- 8.3.2 The impact on COVID and the forecast of future reductions of government funding will mean that it will become increasingly difficult for the Council to deliver against these objectives. The possibility of working in partnership however, including leading to a full merger should ensure that more of these objectives can be delivered.
- 8.3.3 This proposed approach is also in line with the final objective of the Council

Plan which states:

- *In order to deliver this, we will become a more agile and resilient Council.*

8.3.4 **WDC Council Business Plan**

In respect of Warwick District Council's Business Plan this proposal will have the following relevance and impact as set out below.

External:

People - Health, Homes, Communities

The proposed merger has the potential via the Place Partnership to improve health and well-being and so communities. Retention and expansion of housing and cultural services will provide benefits of scale and greater market opportunities.

Services - Green, Clean, Safe

The joint contract for waste collection and recycling demonstrates the opportunities to improve service in this policy area as does the South Warwickshire Community Safety Partnership. Likewise the joint Climate Emergency Action Plan shows the potential of joint work to tackle a major policy area.

Money - Infrastructure, Enterprise, Employment

The emerging joint Economic Strategy and the Local Plan demonstrate the potential of the proposed merger to deliver more in these policy areas.

Internal:

People – Effective Staff

The proposal relating to a merger will better enable Council staff to be retained and supported compared to other options. There isn't any doubt that there will be challenges but there are no easy options.

Services – Maintain or Improve Services. The proposal seeks to make the best of Council financial resources to be able to continue to deliver services, policies and priorities. A proposed merger would also give better resilience to services and offers opportunities to transform the way services are delivered effectively and efficiently.

Money - Firm Financial Footing over the Longer Term. The Council's Medium Term Financial Strategy highlights the challenges and requires significant change so that services etc can continue to be provided compared to other options.

8.4 **Environmental/Climate Change Implications**

- 8.4.1 The two Councils have committed to working together on climate change. This is in recognition that their responses to climate change should not be constrained by administrative boundaries. To this end the Councils agreed their shared climate change ambitions in July 2021 and followed this by setting out the joint Climate Change Action Programme (CCAP) in November 2021. Whilst the CCAP can be delivered without a political merger, the decision on the way forward for the two Councils should take in to account the potential to address Climate Change more effectively with a long term commitment and focus. Further, the geography of the area means that clear political leadership will enable synergies to be achieved. This commitment, focus and clarity of leadership may be easier to retain across South Warwickshire as a single Council.

- 8.4.2 Furthermore, a single entity will enable a deeper review of the Councils' building assets to be undertaken with the potential to achieve additional carbon reduction measures.
- 8.4.3 Finally, the Councils are committed to playing a strong leadership role in the West Midlands in relation to Climate Change. One of the reasons for exploring a political merger is to enable the Councils to exert greater influence in the region and sub-region. This stronger voice therefore brings the potential to accelerate climate action across the West Midlands.

8.5 Analysis of the effects on Equality

- 8.5.1 A detailed Equality Impact Analysis of the option to create a South Warwickshire Council has been undertaken, this is attached at Appendix 13.

8.6 Data Protection

- 8.6.1 There are no direct data protection implications in relation to considering the merger proposals. If approved, however, then there will be numerous issues in this area which will need to be resolved.

8.7 Health and Wellbeing

- 8.7.1 In addition to the measures that are and will be in place within the Council in respect of health and well-being there is also a wider context to consider. The South Warwickshire area is served by one Health Trust – SWFHT - and a number of Primary Care Networks (groups of GPs). In addition, the local health and well-being partnerships are evolving and are integrating with the direct health services to address health and well-being in a holistic way. They are using the Kings Fund model as the basis for that joint work so that the pre-determinants of poor health are addressed as well as the symptoms of poor health. The consequence is that the new arrangements for the Coventry and Warwickshire sub region envisage four Place Partnerships, one of which is South Warwickshire. This will allow the local authorities and the health agencies to work together better to address a range of health and well-being issues. For example, respiratory illness is one of the identified priority areas. This will involve not only the treatment pathways offered but also tackling poor air quality which is one of the root causes of poor respiratory health. The latter aspect is the purview of the local authorities rather than the health agencies. Acting together to take the issue holistically will achieve a better, more effective and more sustainable outcome for the local communities. Having the district council involvement based on a South Warwickshire basis, rather than a SDC or WDC basis, will enable much more effective collaboration and so a better end result. SWHFT is supportive of the proposed merger.

9 Risk Assessment

- 9.1 A Programme Risk Register has been created in relation to the proposal to create a South Warwickshire Council. This is attached at Appendix 6.
- 9.2 The process of merging would be extremely challenging. It is clear from examples of mergers elsewhere that issues could very well arise and it could be expected that there will be temporary impacts on services throughout the process of service integration.

10 Conclusion/Reasons for the Recommendation

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

- 10.2 To implement this vision requires both Councils to formally agree to write to the Secretary of State (SoS) for the Department for Levelling Up, Housing and Communities requesting a merger. This has previously been the process in East Suffolk, West Suffolk and Somerset in the recent past.
- 10.3 If South Warwickshire District Council is formed this would mean the formal abolition of both Stratford-on-Avon District Council and Warwick District Council, with the formation of a new authority.
- 10.4 In order for the Council to make a submission to the SoS the submission needs to be evaluated against three criteria, in that the proposed merger:
- *improve the area's local government;*
 - *command local support, in particular that the merger is proposed by all councils which are to be merged and there is evidence of a good deal of local support; and*
 - *the area is a credible geography, consisting of two or more existing local government areas that are adjacent, and which, if established, would not pose an obstacle to locally-led proposals for authorities to combine to serve their communities better and would facilitate joint working between local authorities.*
- 10.5 Since the meetings in February 2021, additional research and evidence has been collected to enable both Councils to now consider whether they wish to make a formal submission. This report summarises this additional evidence and demonstrates that the three criteria could be satisfied by such a merger proposition.
- 10.6 Whilst such a merger would significantly assist with meeting the financial challenges facing both authorities, it is not without risk. The report identifies a number of areas which would need to be addressed. In some areas full costings are not possible at this stage. There is also the risk that during the process of service integration there could be an impact on service delivery.
- 10.7 The merger process will provide an opportunity for the new authority to re-evaluate how it provides services and will allow best practice from both authorities to be implemented. It will also provide an opportunity for a conversation with colleagues at parish and town council level to further enhance co-operation and joint working through a community governance and function review.
- 10.8 This is probably the most significant decision that either Council has had to consider since they were established in 1974.
- 10.9 Should Councillors determine that it would be in the interest of those served by the respective Councils to merge, a submission document has been prepared – see Appendix 10. In the event of a positive decision to merge this would be submitted to the SoS before the Christmas break.

Background papers:

None

Supporting documents/List of appendices:

Appendix 1 – Deloitte Report
Appendix 2 – JASG Terms of Reference
Appendix 3 – Programme of Implementation report to JASG 19 July 2021
Appendix 4 – LGA Financial Disclosure Review
Appendix 5 – LGA - Financial Impact of a Constitutional Merger Review
Appendix 6 – Programme Risk Register
Appendix 7 – Draft Questionnaire JASG 23 August 2021
Appendix 8 – Consultation Results ORS Report
Appendix 9 – Policy Framework from Cornwall County Council
Appendix 10 - Draft Business Case submission
Appendix 11 – Detailed evaluation of Options
Appendix 12 – Financial Information
Appendix 13 - Equality Impact Assessment





Warwick District Council and Stratford-on-Avon District Council Creating a South Warwickshire Council

27 January 2021

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Deloitte LLP
Birmingham
January 2021

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Executive Summary

Context

There is a growing trend towards local government reorganisation in England, with the creation of councils at greater scale. In addition, local government in South Warwickshire, as in the whole of the UK, is facing a number of significant financial and economic challenges. In particular the COVID-19 pandemic has led to huge economic and financial instability.

In this context, Stratford-on-Avon District Council and Warwick District Council are interested in exploring the option for merging the two councils to create a 'super-district' council. The two Councils have commissioned Deloitte to produce a high-level business case for a potential merger that outlines the benefits and risks of merging.

The strategic case for change

There are strong strategic reasons for merging the two Councils:

- Government policy appears to be encouraging councils to operate at greater scale, and super-districts have been encouraged by the Secretary of State for Housing, Communities and Local Government recently. Creating a super-district, therefore, fits with Government policy and thinking.
- A super-district would have a stronger strategic voice with stakeholders, be more able more easily to enter into partnership arrangements with other organisations, benefit from increased capacity and resilience with a larger pool of resources in all functional areas, deliver improved customer experience by delivering greater consistency of approach, and be a more effective employer by creating a structure that offers more career opportunities and greater appeal in the jobs market.
- The super-district would better reflect place. Travel to work data indicates that there is a single economic geography across South Warwickshire with a significant number of residents living in one district and working in the other. 5,248 residents commute from Warwick District area to Stratford District area and 5,881 residents commute from Stratford District area to Warwick District area.
- A super-district may be better placed to deal with some of the significant strategic issues facing South Warwickshire including the economy, housing and climate change.
- Both Councils face significant financial pressures and need to make savings. Merging the Councils provides the potential to improve the financial position and ensure that local government in South Warwickshire can continue to deliver and improve services for local communities.
- Merging the two Councils builds on a long-term strategic trend of significant collaboration between the two organisations. It also builds on strong foundations as there are similarities between the two Councils.

There is, therefore, a strong strategic case for change.

The financial case

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).

Non-financial benefits

There would be significant non-financial benefits from merging the two Councils:

- 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.

Shared services or merging?

It must be noted that some of the financial and non-financial benefits identified above could also be delivered through a shared service arrangement between the two Councils, rather than a full merger.

However, there is a strong case that merging the two authorities would result in added benefits beyond a shared service arrangement:

- Only a merger could deliver the financial benefit from the democratic savings from, for example, reducing the number of Members. There are also likely to be further financial benefits from removing duplication through merging, including holding one Council meeting, producing one set of financial accounts and one budget, incurring one set of audit fees and holding one bank account.
- A full merger provides a greater likelihood of more savings being achieved from transforming services. It creates a greater cultural shift by creating one organisation, removing some of the politics around identifying which organisation benefits from savings under a shared service arrangement. The vision for the future can be simpler and more joined up, allowing greater impetus and greater delivery of savings.
- By contrast, a shared service or collaboration arrangement makes it less likely that benefits will be delivered. There are more likely to be variances in the policy positions and approaches from the two authorities which would create additional work, bureaucracy and cost.

Overall a full merger has greater potential to achieve both financial and non-financial benefits that result from economies of scale and a stronger strategic voice.

Risks and implementation

There are of course significant risks attached to any transformation programme of this magnitude. A risk analysis has been undertaken and some of the most significant are:

- The Government may not give assent to the merger proposal, which would mean that the Councils have to proceed in a different way;
- Lack of programme management and transformation capacity and capability to deliver effective transformation, creating effective single teams, managing interdependencies and delivering savings;
- Establishment of a larger local authority could lead to a 'democratic deficit' as a result of the reduction in the overall number of elected members. This could lead to diseconomies of scale as Members may not be able to respond to distinctive local needs and respect local identities within South Warwickshire; and
- Preparing for the transition may draw resource away from delivering other council strategies and plans, increase the risk of service disruption and reduce resilience of the existing Councils and new Council.

A strong implementation approach will be critical to mitigate these risks, which could easily turn into disbenefits if they are not managed effectively.

For example, lack of effective programme management and decision making could lead to lack of delivery of savings, which remove the benefits of proceeding and may even increase costs.

Therefore, when the Councils are choosing whether to proceed, they should consider whether the potential benefits outweigh the risks (and potential disbenefits).

Conclusion

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 disbenefits, 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.

Introduction

Purpose of our report

There is a growing trend towards local government reorganisation in England, with the creation of councils of greater scale. In addition, local government in South Warwickshire, as in other parts of the UK is facing a number of significant financial and economic challenges. In particular the COVID-19 pandemic has led to huge economic and financial instability.

In this unprecedented context, Stratford-on-Avon District Council and Warwick District Council have agreed to explore greater collaboration, and in particular the option for merging the two councils to create a 'super-district' Council.

The two Councils have commissioned Deloitte to produce a high-level business case for a potential merger that outlines the benefits and risks of merging.

To produce this report the following activities have been undertaken:

- A review of the existing work undertaken on local government reorganisation in Warwickshire;
- Targeted workshops with the two Council Chief Executives, their deputies, and the S151 officers to collect views on merging;
- A high-level financial analysis of the financial benefits from merging by comparing budgets on a service by service basis and estimating potential savings;
- A comparison of the estimate of financial benefits to an estimate of the potential costs, thereby creating a payback period analysis; and
- Consideration of the risks and how the merger could be implemented.

Based on these activities, this report will outline:

- The Strategic Case for merging;
- The Financial Assessment outlining the costs and benefits of merging and potential payback period;
- An assessment of the non-financial benefits of merging;
- The risks of merging; and
- Implementation considerations.

Context – information about the two Councils

To provide some background and context, the table below summarises some comparative information about both councils:

	Stratford-on-Avon District Council	Warwick District Council	Total
Population	130,098	143,753	273,851
Electorate	104,569	112,857	217,426
Area (km2)	977.9	282.9	1,260.8
Councillors	36	44	80
Employees	323	533	856
Parishes	110	35	145
Council Tax (Band D) (£)	144.12	171.86	n/a
Taxbase (No. of Band D equivalents)	55,837	55,851	111,688
Net current General Fund expenditure (£m)	16.2	19.0	35.2

Please note that there are reasons for some of the differences in the table above. Although the Councils provide similar services, there are some differences.

The most notable of these is that Warwick has a Housing Revenue Account. This is an extra £21m of expenditure in addition to the General Fund and also accounts for 81 FTE posts. This accounts for some of the difference in staffing numbers between the two Councils in the table above. HRA expenditure is excluded from the financial assessment undertaken below.

In addition, Warwick runs an art gallery / museum facility and an entertainment centre; a crematorium / bereavement service, and the Council also runs a large number of parks and gardens across the three larger towns in the area.

Population

The population of the two Councils is further summarised in the table below:

Population by 20 year Bandings – Stratford-on-Avon District Council vs Warwick District Council

		0-19	20-39	40-59	60-79	80 +	Total
Stratford	No.	26,783	25,649	35,972	32,249	9,445	130,098
	%	20.6%	19.7%	27.6%	24.8%	7.3%	
Warwick	No.	31,283	41,105	36,857	26,611	7,897	143,753
	%	21.8%	28.6%	25.6%	18.5%	5.5%	

Stratford-on-Avon District Council has a more elderly population with 32% of residents aged over 60, compared to 24% in Warwick District Council.

Due in part to the large student population, Warwick has a much younger population with nearly 30% of residents aged 20-39, compared to around 20% in Stratford.

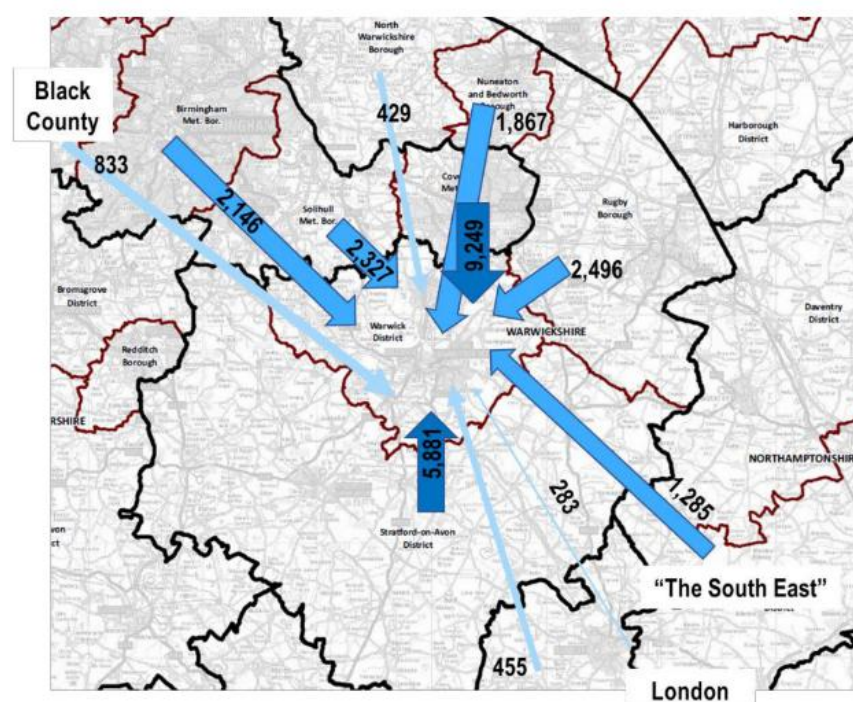
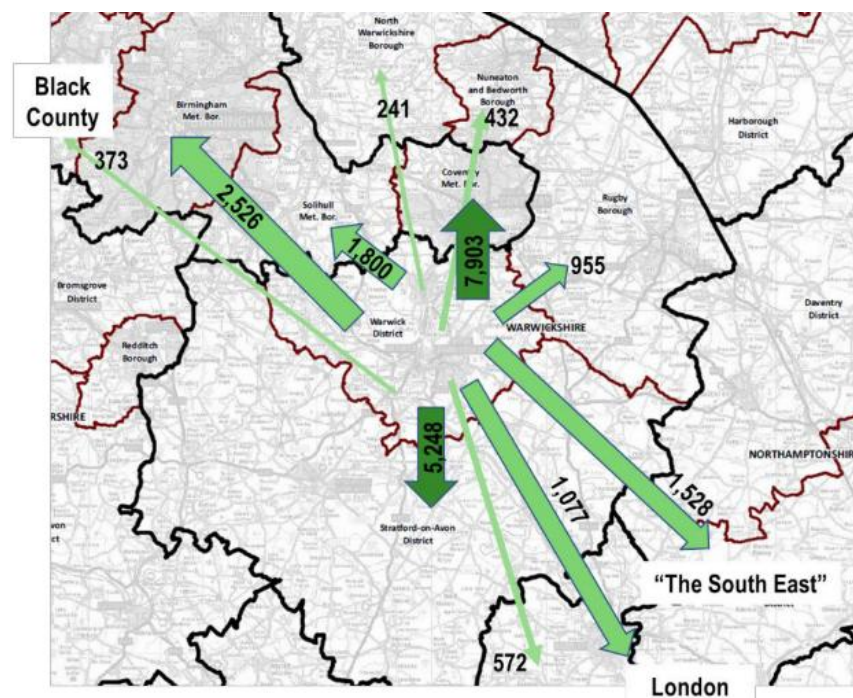
Travel to work data

Travel to work data indicates that there is a single economic geography across South Warwickshire with a significant number of residents living in one district and working in the other.

5,248 residents commute from Warwick District area to Stratford District area and 5,881 residents commute from Stratford District area to Warwick District area.

These are the second highest flow numbers for Warwick District behind the flows to and from Coventry.

This is shown in the maps below.

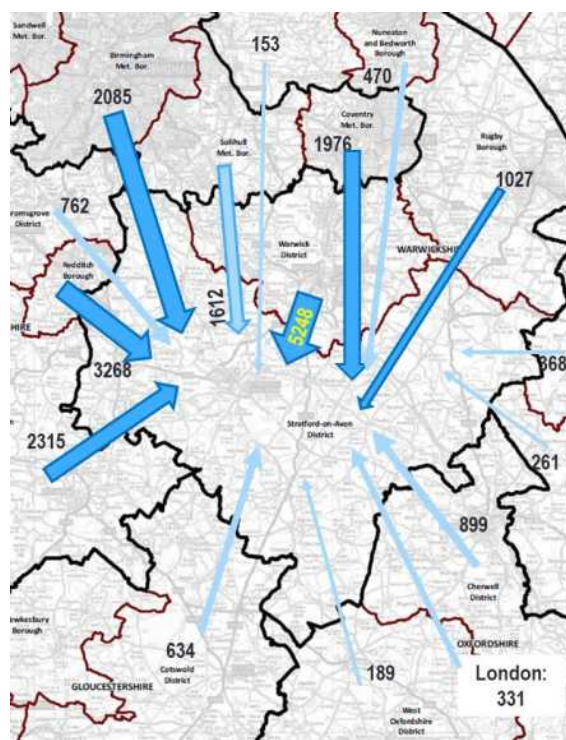
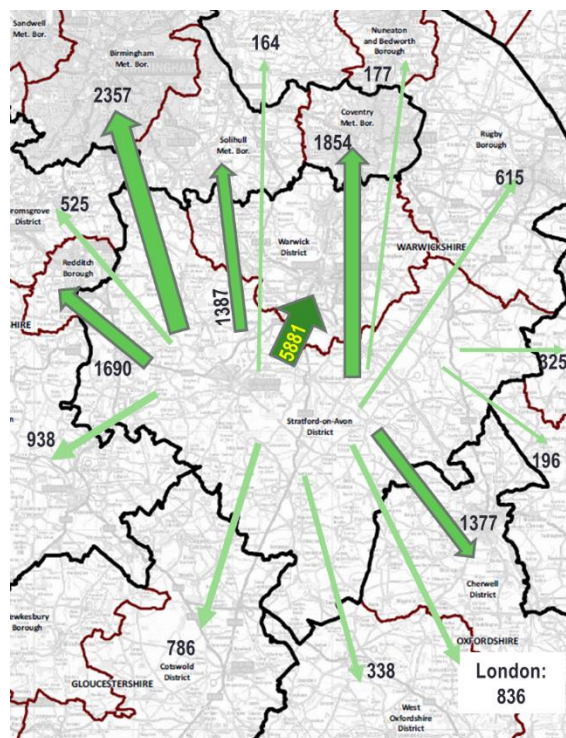


The maps below show the same commuting flows from the Stratford perspective.

5,881 residents commute from Stratford District area to Warwick District area. 5,248 residents commute from Warwick District area to Stratford District area.

These are the highest in-flow and out-flow numbers for Stratford District.

This is shown in the maps below.



The Strategic Case

This section of the report identifies the strategic context for the potential merger and outlines the strategic reasons for merging.

Government Policy

There is a growing trend towards local government reorganisation in England, and in particular the creation of councils that operate at a greater scale.

For example, several unitary councils have been created in Bedfordshire, Cheshire, Northumberland, Shropshire, Wiltshire, Cornwall, Dorset, Durham, Northamptonshire and Buckinghamshire.

Three super-district Councils have also been created in East Suffolk, West Suffolk, and Somerset West & Taunton.

Secretary of State for Housing, Communities and Local Government, Robert Jenrick, has indicated a possible intention to move towards reorganising local government into bigger structures. He recognised the positives of small scale structures bringing a sense of identity and strong community engagement, but commented that this was not the long-term future of local government:

'I appreciate the upheaval but I do think we need to move towards a model that provides better value for money for taxpayers, and you're able to look much more strategically at these challenges like housing and transport...I will certainly be encouraging local councils to move in that direction'¹.

Subsequently Robert Jenrick's letter² to Conservative Councillors in England has demonstrated the government's desire to promote changes to the structure of local government.

This letter specifically mentioned "merging district councils", as a vehicle by which to "improve local service delivery, save taxpayers' money and improve local accountability". It was also made clear that it would be up to local areas to decide whether they do this and how to achieve this. The letter was sent in the context of the recession brought about by COVID-19.

The letter was also clear that 'it is up to local areas to decide on whether or not to reform their local structures.'

Therefore, there does appear to be a trend towards creating councils that operate at a greater scale. Merging two districts would be in line with this strategic direction of travel.

Strategic reasons for merging two councils and operating at scale

There is a strong strategic rationale for merging councils and creating a 'super-district'. Some of the key benefits are outlined in the table below:

¹ <https://www.room151.co.uk/funding/devolution-white-paper-announcement-accompanied-by-hint-on-unitary-push/>

² "Local Government Reform & Joint Working", sent to Conservative councillors in England, 12 October 2020

Theme	Potential impact of merger
Enhanced Partnership working	A South Warwickshire local authority could pursue greater opportunities for integrated working in the wider public sector, due to the simplicity of a single democratic decision-making structure. Put simply, it is easier for one organisation to enter into partnerships than two who may disagree.
Strategic voice	<ul style="list-style-type: none"> • A super-district council could have a greater ability to speak with a louder voice on issues such as transport and planning and skills. • More specifically, a single super-district is likely to have a greater influence at a regional and national level with other bodies such as the Local Enterprise Partnership, County Council, Homes England and Central Government. It could have a louder voice among peers, investors and infrastructure providers (Highways England and National Rail). • A super-district could take a more strategic approach to areas such as external funding and communications. For example, a single integrated communications and marketing team could deliver campaigns more effectively on subjects that are universal across the existing council district areas, such as inward investment, litter, waste, council tax & benefits, getting online and community safety. • A super-district operating at greater scale would be able to do more on climate change by making bigger investments and setting policy at a greater scale.
Increased capacity and resilience	<ul style="list-style-type: none"> • A super-district would have a larger pool of resources in all functional areas, providing the ability to move work around when there are pressures in particular areas. This is particularly important in the light of the COVID-19 pandemic and the recovery period that will follow. • A super-district would also have greater capacity to undertake digitalisation and transformation activity – the lack of resources and capacity in this area is currently a barrier to driving through efficiencies and delivery improvements across service areas.
Improved customer experience	<ul style="list-style-type: none"> • A super-district would be able to offer greater consistency of approach, particularly for customers operating across different districts – for example, in planning, licensing and environmental health requests. • A super-district could take a coordinated approach to income generation opportunities across the region, providing clarity to customers.
Workforce	<ul style="list-style-type: none"> • A super-district could offer a greater level of career development and is more attractive in the job market. As a result, this allows the council to recruit and retain high calibre staff. This would help overcome difficulties in attracting and recruiting to specialist roles. In addition, small staff numbers in certain function areas can mean that capacity to respond is often impacted by factors such as long term absence and unusual service demand. • Increasingly, smaller local authorities have used external resources for support in specialist technical areas – for example, procurement advice. A super-district offers the possibility of employing specialist resources, if there is a recurring need for specialist resource, providing cost savings compared with external resources and advice. • A super-district would have a wider knowledge base which would exist in relation to highly specialist areas (such as contaminated land or air quality monitoring), as well as the potential to have a wider ranging skillset in house – such as town planners, transport planners, ecologists and urban designers. These are resources that are difficult to sustain at the existing district level.

Financial Position

Although local government in South Warwickshire has performed very well financially in the past, it is facing considerable financial challenges going forward.

Even before the COVID-19 pandemic hit, the financial context for local government was already challenging with reductions in government grants. The Local Government Association states that by 2020, local authorities will have faced a reduction to Government funding of nearly £16 billion from the preceding decade.³

This has been combined with a dramatic change in demography over the last decade in terms of an ageing population, growth in people with disabilities, and in a greatly increased school age population, all of which have had an impact on public service provision in terms of increasing costs. The twin challenges of reduced funding and rising demand driven by demographic change creates a significant financial challenge for all councils.

Local Government Association (LGA) analysis identified that council services face an additional funding requirement for their annual day-to-day spending of '*£13.2 billion by 2024/25, growing at a pace of over £2.6 billion each year on average. When compared to the assumed changes to council funding levels, this leads to a funding gap of £6.4 billion forming in the day-to-day council budgets in 2024/25 in comparison to 2019/20 budgets*'.⁴

This predicted funding gap represents a huge challenge for local authorities in the next few years, to maintain council services under normal circumstances.

The unprecedented COVID-19 pandemic has also had significant impacts on local government finances in creating the need for additional expenditure and also resulting in loss of income.

In this context, the financial positions of both Councils are summarised in the boxes below:

Stratford-on-Avon District Council

Stratford-on-Avon District Council's most recent Medium Term Financial Plan (MTFP) covering a five year period was approved in February 2020. This shows a planned surplus for the years 2020/21 and 2021/22, a deficit forecasted from 2022/23 onwards, with a projected annual deficit of £3m at the end of the 5 year MTFP.

The global COVID pandemic has caused an estimated deficit of £4m in 2020/21. This has brought the requirement to make savings forward, so that the Council has to make £4m of ongoing savings in 2021/22, or release sufficient reserves to off-set the anticipated deficit. The imperative is to make savings, as the release of one-off reserves simply postpones the need to make savings, and current reserve balances would be exhausted within 2 years.

³ https://www.local.gov.uk/sites/default/files/documents/5.40_01_Finance%20publication_WEB_0.pdf

⁴ <https://www.local.gov.uk/sites/default/files/documents/Technical%20Document%202020.pdf>

Warwick District Council

Warwick District Council's most recent MTFP was approved in August 2020. It highlighted that the budget would be balanced until FY 2020/21. From 2021/22, £3.2m (22.3% of total expenditure) would need to be saved to ensure a balanced budget, rising to £6.1m in 2022/23 (43.0% of total expenditure), before reducing to £5.3m in 2025/26, as shown in the table below. These are significant savings targets.

	2020/21 (£'000s)	2021/22 (£'000s)	2022/23 (£'000s)	2023/24 (£'000s)	2024/25 (£'000s)	2025/26 (£'000s)
Deficit - Savings Req(+) / Surplus (-) future years	0	3,190	6,139	5,701	5,355	5,306
Change on previous year		3,190	2,949	-438	-346	-49

Both Councils, therefore, have significant financial pressures and need to make savings in order to continue to deliver the same or better services.

Further, it is clear that the financial position for both Councils is going to get even harder given increased costs, reduced income from fees and charges, increased demand, and the impact from the pandemic.

In this context merging the Councils provides the potential to improve the financial position by:

- Making efficiency savings from areas of duplication and crossover between the two Councils, creating economies of scale;
- Jointly commissioning contracts, resulting in economies of scale;
- Rationalising property floor space based on removing duplication and the increased desire to work from home as a result of the COVID-19 pandemic;
- Allowing the review and harmonising of fees and charges schedules – potentially creating increased income; and
- Providing more opportunities for innovation as a result of being a larger organisation, given extra capacity and investment potential, in areas such as digital and technology.

These factors make it more likely that existing levels of service can be maintained.

Building on existing collaboration

There is also a strategic direction of travel towards greater collaboration between the two Councils, which the merger would build on.

Work has commenced in moving towards a shared management team. From the start of 2021/22, there will be five shared Heads of Services in place:

- Head of Neighbourhood / Community Services;
- Head of ICT;
- Head of Finance;
- Head of Revenues and Benefits / Customer Services, and
- Head of Assets.

Furthermore, conversations are underway between the authorities to agree sharing the Programme Director for Climate Change between the two Councils.

This highlights the progress the two local authorities are already making in closer working and collaboration.

Some of the other examples of collaboration include:

- A shared Information Governance Officer and shared business rates team;
- The two Councils have agreed to prepare a joint Local Plan;
- The two Councils have agreed to procure a joint waste contract;
- The Shakespeare's England partnership is a joint tourism venture for South Warwickshire. This is a not-for-profit membership organisation and a public private sector partnership supported by the region's key tourism businesses as well as Warwick District Council and Stratford-on-Avon District Council;
- On the community safety agenda the two Councils work together through the South Warwickshire Community Safety Partnership;
- On the health agenda the two Councils work together through the South Warwickshire Health And Wellbeing Delivery Group, with South Warwickshire considered as an individual place in the emerging Integrated Care System, built around South Warwickshire NHS Foundation Trust, and
- Other examples of joint working include the Community Assessment Impact Operational Group and Vulnerable Persons Assessment Group.

In addition, both Councils have similar approaches on some issues. Both councils have outsourced a number of services including refuse and recycling, street cleansing and grounds maintenance.

Given the similarities, and the record of collaboration, there is already a strong strategic direction of travel that merging would build upon.

Importance of the economy

The unexpected and unprecedented COVID-19 pandemic has led to significant economic instability. As a result of required lockdown measures to prevent increased spread of the virus, thousands of businesses have temporarily or permanently closed across many sectors, meaning unemployment rates have increased dramatically. Millions of workers have been assisted by government-supported job retention schemes.

In this context, promoting economic growth has to be a priority for local government in South Warwickshire.

There is a logical argument that a super-district may be more likely to be able to tackle these issues because of the ability to create a stronger voice within the major entities that focus on economic growth, such as the WMCA and the Coventry and Warwickshire Local Enterprise Partnership.

Having a stronger voice within these organisations that are focusing strategically on the major economy, skills and transport issues should support the needs of South Warwickshire as a place.

Creating the potential basis for a unitary council

There is a trend towards unitary local government in England, with several unitary authorities being created since 2009.

In line with this trend, Warwickshire County Council made a proposal to the Government to create a unitary local authority in Warwickshire in autumn 2020. This proposal has not been accepted at the current time.

There has been speculation that the Government's White Paper (now expected in 2021) may further stimulate the drive towards unitary government. Local government must await the White Paper to clarify the Government's intentions.

At the time of writing, the political enthusiasm for reorganisation of local government and the creation of more unitary authorities seems to have declined. The Secretary of State for Housing, Communities and Local Government's letter mentioned above to Conservative councillors made clear that there is no requirement for unitary structures to be created at the current time.

However, it is always possible that creating unitaries will re-emerge as an agenda in the White Paper or beyond. If so, merging the two district councils to create a 'super-district' would lay the basis for a potential South Warwickshire unitary council that could provide an alternative solution to unitary local government in Warwickshire, instead of a single county unitary.

Merging the two Councils, therefore, helps to future-proof local government arrangements in South Warwickshire.

Conclusion

There is a strong strategic case for merging the two Councils because:

- It fits with Government policy and thinking in terms of local government operating at greater scale;
- A super-district would have a stronger strategic voice with stakeholders, be more able more easily to enter into partnership arrangements with other organisations, benefit from increased capacity and resilience with a larger pool of resources in all functional areas, deliver improved customer experience by delivering greater consistency of approach, particularly for customers operating across both districts, and be a more effective employer by creating a structure that offers more career opportunities and greater appeal in the jobs market;
- It could support local government in South Warwickshire to deal with the significant economic and financial challenges it faces, ensuring that local government can continue to deliver or improve services for local communities;
- A super-district may be better placed to deal with some of the significant strategic issues facing South Warwickshire including housing or climate change, and
- It builds on the current similarities and significant collaboration between the two organisations.

Financial Benefits

Summary

As part of the preparation of this report, a financial assessment has been undertaken of the potential savings and costs of merger.

The financial assessment indicates that creating a single council across Stratford-on-Avon and Warwick District Councils could deliver annual recurrent savings of £4.6m after five years.

This saving represents a 3.9% reduction in the current combined gross expenditure of both Councils.

Making savings of this kind can ensure that local government can continue to deliver or improve services for local communities.

This is shown in the table below.

The table identifies a prudent level of saving that could be achieved from the merger. However, the table does not include speculative savings which could be delivered from future transformation of service delivery. It would be for any new authority to establish the future vision of service delivery and priorities. Therefore, at this stage such unsubstantiated savings have not been included within the overall assessment of value for money.

Please note that rounding has been used to simplify the presentation. This means that there are areas where the addition may not precisely sum.

Please also note that the figures in this assessment are not adjusted for inflation.

Finally, the numbers within this assessment should be regarded as an estimate only. The actual savings will be driven by the detailed decisions made.

	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)

After five years, merging the two Councils could make annual recurrent savings of £4,565k⁵.

⁵Redundancy costs are assumed as £0 after Year 5, therefore there would be no costs and all gross savings would be realised.

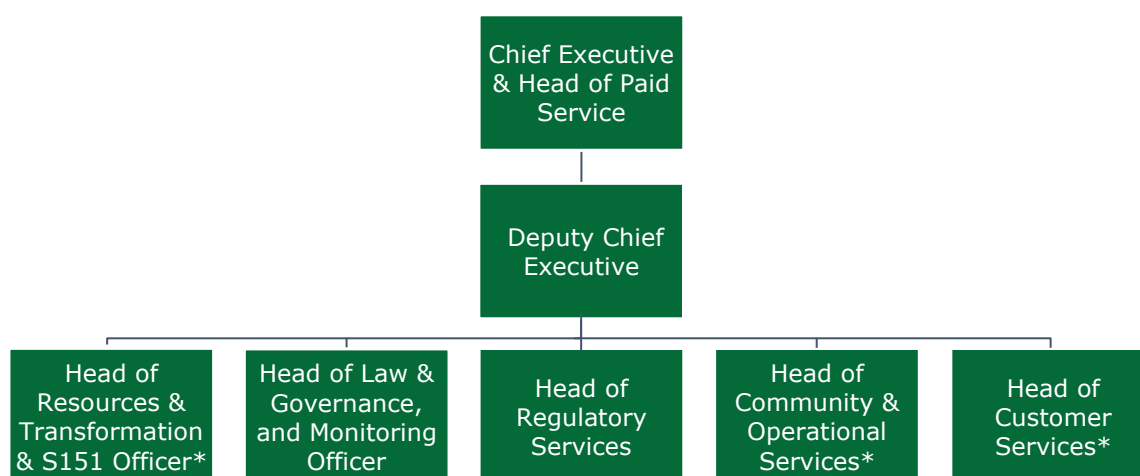
This model begins to make savings from Year 1, using the phasing assumptions made. It should be noted that some savings may be realised in later years, despite the change being made in Year 1.

Some further information is now provided on each of the areas considered.

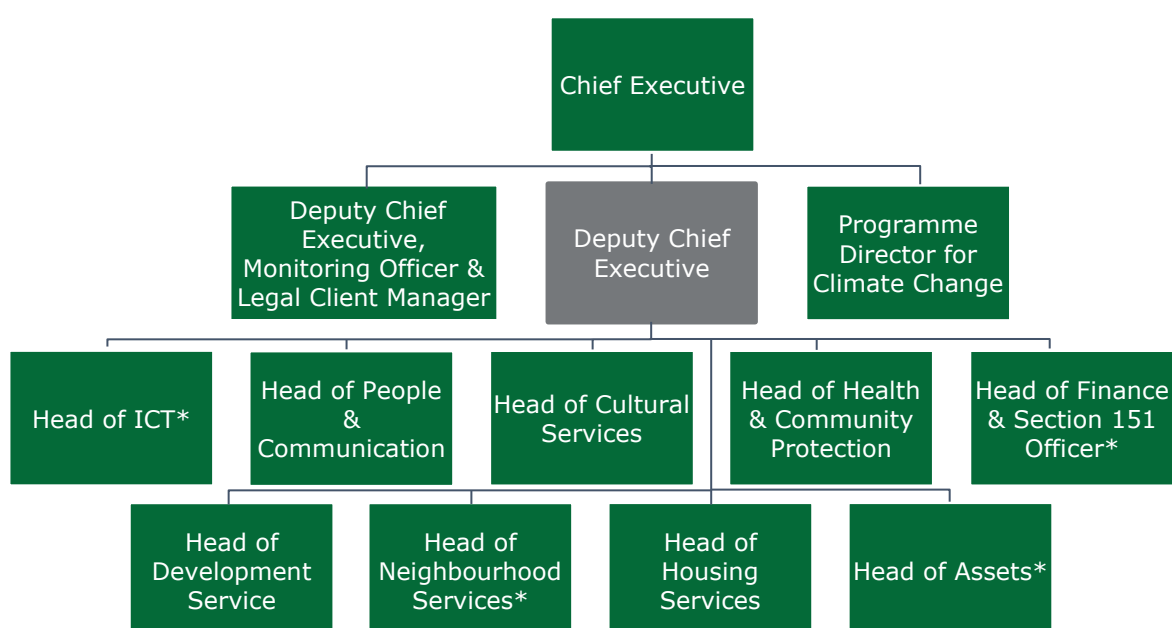
Management Team Savings

In merging the two Councils, there is an opportunity to rationalise the Management Team, reducing the number of posts. The below chart shows the Management Teams in place in the two Councils:

Stratford-on-Avon District Council



Warwick District Council



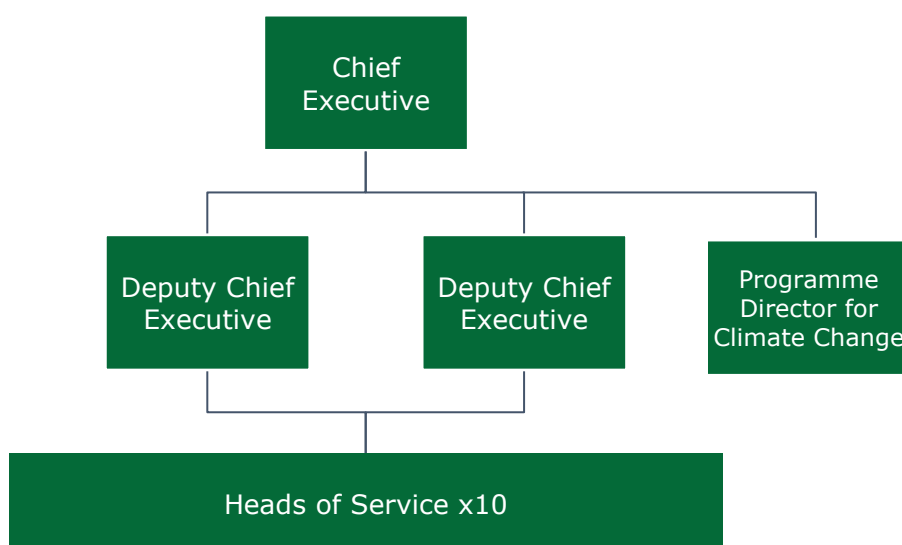
Please note the reduction of one Deputy Chief Executive post in Warwick (highlighted in grey in the diagram above) has already been proposed and is treated in a separate process. Any savings from this post have been excluded from the opportunity below.

It should also be noted that work has commenced in moving towards a shared management team. From the start of 2021/22, there will be five shared Heads of Services in place (Head of Neighbourhood / Community Services; Head of ICT; Head of Finance; Head of Revenues and Benefits / Customer Services, and Head of Assets). These shared posts are shown with an asterisk next to them in the diagrams above (please note there are six shown in the diagrams as these are the structure charts before the sharing of the posts). Please also note that savings from these posts are still included in the analysis below.

Furthermore, conversations are underway between the authorities to agree sharing the Programme Director for Climate Change between the two Councils.

This highlights the progress the two local authorities are already making in closer working and collaboration, and sets the course for achieving the savings outlined below.

The optimal size for the future management structure of the super-district has been considered by reviewing the management structure of East Suffolk District Council, which is a similar size to the potential merged Council in South Warwickshire. Accordingly the structure below is proposed:



Using an average salary cost for the posts currently in place at both councils, the new structure above has been calculated to cost £1,255k (including on-costs).

This could, therefore, generate a potential saving of £611k, as set out below:

Council	Current Management Team (£'000s)	New Management Team (£'000s)	Saving (£'000s)
Stratford-on-Avon	686	1,255	611
Warwick	1,179		

The savings for rationalising the management team are assumed to take effect from Year 1, with total savings over the first five years of £2,749k.

Service Optimisation

Savings should be possible through bringing services together and optimising efficiency, using means such as:

- Reducing areas of duplication and crossover between the two Councils, creating economies of scale;
- Jointly commissioning contracts, resulting in economies of scale;
- Rationalising property floor space based on removing duplication and the increased desire to work from home as a result of the COVID pandemic;
- Providing an increased ability to invest to drive transformation with the efficiencies from economies of scale;
- Allowing the review and harmonisation of fees and charges schedules – potentially creating increased income; and
- Providing more opportunities for innovation as a result of being a larger organisation, given extra capacity and investment potential, in areas such as digital and technology.

To estimate the savings opportunity in these areas, a financial assessment has been completed. This used income and net expenditure data from both authorities.

An exercise was completed to extract this data for comparable and relevant services from both Councils.

Each Council's level of net expenditure on similar services was then compared.

This allowed the identification of service areas where services between the two councils were considered similar, but expenditure levels appeared different.

This highlighted areas of potential spend which could be reduced if one Council brought its costs down to the level of the other.

If there were clear and obvious reasons for differential spend, that service was excluded from the analysis. Every effort was made to only focus on comparable service areas.

Please note that where services are outsourced, outsourcing costs have been included. Net expenditure excludes transfer payment costs, capital charges, and Housing Revenue Account (HRA) recharges.

Using the expenditure for the comparable services, combined with population sizes for the two local authorities, the financial assessment identified the cost per head for each of the service areas, and identified the potential savings opportunity if the more expensive authority was to reduce its cost per head to:

- (1) the average cost per head for the two authorities, or
- (2) the lowest cost per head for the two authorities.

Using (1) and (2), the financial assessment identified a potential savings opportunity range against each service, based on the potential percentage reduction in expenditure for both Councils.

These potential saving opportunity ranges were then reviewed and adjusted based on local knowledge of the services from the Councils and the likely potential opportunity.

The saving ranges were also compared to previous Deloitte work on local authority mergers ("Sizing-Up: Local Government Mergers and Service Integration,"2011). This work indicated that by merging local authorities could reduce overall expenditure by 13.4%. This work also showed a potential savings range in individual services from 2% to 30%.

All of the potential savings identified below exist within this range and therefore appear reasonable.

The below table sets out the indicative opportunity ranges based on this exercise, and the associated financial savings using the midpoint of these ranges:

Savings opportunity - Council Data	Indicative Opportunity Range	Expenditure Savings based on Opportunity Midpoint (£'000s)	
		Stratford	Warwick
Policy	8%-16%	75	98
Property & Building Services	25%-25%	266	220
Parks & Open Spaces	10%-10%	56	96
Development Services	20%-25%	71	50
Revs & Bens	5%-9%	120	121
Licensing	7%-13%	9	11
CCTV	5%-10%	21	21
Environment	10%-10%	48	119
Social Inclusion	10%-10%	32	48
Housing	10%-20%	177	149
Parking	5%-11%	127	127
Waste	6%-12%	295	288
Street Cleaning	6%-12%	145	141
Democratic Core	3%-5%	27	25
ICT	7%-14%	145	137
Legal	12%-24%	66	97
Finance	10%-20%	147	206
Total		1,827	1,955

Please note, again, that rounding has been used to simplify the presentation. This means that there are areas where the addition may not precisely sum.

The total potential service optimisation savings for the two councils is £3,782k per annum, but the analysis has assumed some of the savings will not be achieved until Year 3, with part delivery in Years 3 and 4 due to the time required to merge the services and extract the opportunities.

It should be noted that the above analysis was undertaken as a high level review, and final achievable savings could vary. The analysis should be revisited on a regular basis to

validate the savings opportunities, especially during implementation, to ensure they are realistic and viable.

Democratic Savings

Consolidating the Councils would be likely to result in efficiencies in democratic costs in areas such as having a single constitution, single governance structures and arrangements – for example, a single set of Cabinet meetings. These have not been costed here.

In addition, there may be a potential reduction in members. The Councils currently have a combined 80 councillors for a cost of £655k to cover member allowances and expenses.

Merging the two authorities will reduce the number of councillors needed as some of the district wards can be consolidated. Benchmarking the combined South Warwickshire population to other authorities, 80 councillors is significantly higher than the equivalent councils.

This Business Case sets out a reduction in the number of Members from 80 to 59 as a result of the merger, based on comparison to authorities such as East Suffolk.

Based on an average allowance per Member of £8,182 (across the two councils), this would result in a new Member service cost for South Warwickshire of £483k, a saving of £172k from the current cost.

Council	Current Members	Current Cost (£'000s)	Cost per Member (£'000s)	New Members	New Cost (£'000s)	Saving (£'000s)
Stratford	36	330	8	59	483	172
Warwick	44	325				
Total	80	655				

The analysis has assumed the savings from reducing member numbers will be achieved following the next election of councillors in 2023, with savings realised in Year 4 (2024/25).

The reduction in Members would have an impact on the ratio of Members to Electors. Currently, Stratford's ratio of Members to Electors is 1:2905 and Warwick's is 1:2565.

Moving towards the above model of 59 Members would increase this ratio to 1:3685 for across South Warwickshire.

It is true that moving towards a higher Member:Elector ratio potentially increases work for Members in future. However, it should also be remembered that as a result of this change a smaller proportion of Members may be involved in committee and executive roles, and so less time will be required on these aspects across all Members.

Redundancy Costs

To deliver the savings outlined above for both the management team rationalisation and from service optimisation, there will need to be a reduction in staff numbers. This could be achieved through natural attrition or the removal of vacancies, incurring zero costs to the Councils.

In 2019/20, the vacancy and staff turnover rates for each of the Councils were as outlined below, with the number of FTE posts this relates to. The vacancy rates in 2020/21 (April-December only) have been lower with lower staff turnover as well due to the COVID-19 pandemic.

Council	Vacancy Rate 2019/20	Equivalent FTE 2019/20	Turnover Rate 2019/20
Stratford	8%	17	13.8%
Warwick	17%	99	12.6%
Combined Average	12.5%	116	13.2%

If the vacancy and turnover rates for 2019/20 were replicated going forwards, the staff reductions identified above could be achieved through vacancy removals, resulting in no redundancy costs.

However, it may be unlikely that vacancies and turnover of staff will align precisely with the new structure. Therefore, assumptions around a number of redundancies required have been made in the tables below, with associated costs.

To calculate these costs, the analysis has used indicative redundancy package costs for the management team as set out in the tables below.

Management Team	Number of roles in New structure	Number of roles in Current structure	Reductions	Redundancies assumed	Average Redundancy Package (£'000s)	Redundancy Costs (£'000s)
Chief Executive	1	2	1	1	95	95
Corporate Director	3	3 ⁷	0	0		0
Heads of Service	10	14	4	2		190
Total	13	20	5	3		285

The analysis has also calculated costs for redundancies through the service optimisation programme of £680k. This was calculated using a notional pay and non-pay split of the £3,782k savings opportunity and the subsequent FTE reduction required to achieve the pay savings identified.

As a result, the analysis is estimating total potential redundancy costs of £965k, which have been profiled to be delivered in line with the below timeline, based on when savings are to be achieved:

Redundancy Profile		Y1	Y2	Y3	Y4	Y5	5 Year Total
Profile	Management Team	0%	50%	50%	0%	0%	100%
	Service Optimisation	0%	0%	33%	33%	33%	100%
Costs (£'000s)	Management Team	0	143	143	0	0	285
	Service Optimisation	0	0	227	227	227	680
Total		0	143	369	227	227	965

⁷ The current structures have a combined 4x Deputy Chief Executive / Corporate Director roles, but 1 position has been excluded as it is already under a separate process of review for removal

Change Management Costs

Merging two local authorities will require some element of change management support to support and coordinate the process, as well as provide project management support for the delivery of savings.

Change management support is essential to help to realise savings and implement the efficiencies within each department.

The financial analysis has assumed a Project Manager and Project Support Officer will be required in change management roles to support and coordinate the delivery of the programme over a three year period.

Please note that implementation will not fall to these two individuals alone. It will be the responsibility of the leadership and management team of both Councils to drive forward the merger process and support their staff to create a new organisation. The effort required in this kind of wholesale cultural change should not be underestimated.

A further fund of £330k has been assumed for where the Councils may require external support or specific advice associated with the merger. This resource could also be used for specific costs arising such as creating a new corporate identity in the form of logos and branding.

In total, the analysis has assumed change management costs for the merger of £600k over a three year period as set out below:

Change Management Costs	
Number of Change Management staff required	2
Average Salary Costs (£'000s)	45
Estimated Annual Council Staff Cost (£'000s)	90
Estimated full cost over 3 years	270
External Support Fund	330
Total	600

Please note the average salary cost here is based on the typical cost of a change management professional.

Value for Money

It must be acknowledged that there are different ways of considering value for money, rather than just reducing base cost.

Reducing staff levels and rationalising services can lead to more stretched and less responsive services. It can also limit the potential for long-term transformation where the financial benefits may be far more significant.

Moreover, value for money needs to be provided for the council tax payer too.

Council Tax Harmonisation

In this regard the tricky issue of council tax harmonisation is particularly important.

The current discrepancy in Stratford and Warwick precepts is £27.74 (£144.12 and £171.86 respectively in 2020/2021). The Councils are currently both planning a £5

increase in precepts for 2021/22. Any changes to Council Tax to achieve harmonisation have been forecast to commence from 2022/23.

Members of a future merged Council would have a difficult choice to make.

Harmonising to the higher precept reduces income lost, but involves a significant council tax rise for Stratford-on-Avon residents, which represents poor value for money for the council taxpayer and would be politically difficult.

Harmonising to the lowest precept ensures Warwick residents would receive a council tax cut, and Stratford residents would receive no increase, but would lose a significant amount of money to local government in Warwickshire.

Harmonising to an average of the precepts in Stratford and Warwick as a compromise would involve some increase in council tax for Stratford residents, a cut for Warwick residents, but also forego some income.

Three possible options have been proposed:

1. Increase the Stratford precept by £5 per annum and freeze the Warwick precept until harmonisation is achieved between the two councils. Commencing in 2022/23, harmonisation would be achieved in 2027/28. This would result in loss of potential income of a total of £4.1m over a five year period by freezing the Warwick precept and not increasing it. This would represent a benefit to Warwick council tax payers as their council tax would not increase.
2. Undergo a two-stage harmonisation approach, by increasing the Stratford precept by £5 per annum for 2022/23 and 2023/24, while freezing the Warwick precept. This would be followed by a final increase in the Stratford precept in 2024/25 to the Warwick level following the creation of the new authority, achieving harmonisation. Commencing in 2022/23, harmonisation would be achieved in 2024/25. This would result in potential loss of income of a total of £2.4m over five years.
3. Harmonise to the weighted average of the precepts in Stratford and Warwick in 2024/25 when the new authority is formed. Before this, precepts for both Councils would be increased. There would be no change for tax payers in 2022/23 or 2023/24. In 2024/25 there would be an increase in council tax for Stratford and a decrease for Warwick council tax payers. This would result in a potential loss of income of £850k over five years.

In summary, merging councils either forgoes income that local government in Warwickshire could retain for services, or represents additional costs to the council taxpayer.

There is no easy way out of this difficult trade off and careful consideration is required. This will need to be a decision for Members to make.

Potential changes to the economy after the COVID-19 pandemic will also be relevant to these decisions. If housebuilding increases, and the current levels of council tax support reduce as the economy improves, these two factors should increase the tax base and could be helpful in therefore increasing income from council tax.

This exercise is clearly dependent on assumptions about what any future Council would choose to do.

Conclusion

The financial analysis that has been applied to identify potential savings from the merger of the Councils has set out a potential opportunity to generate net annual savings of £4.6m after Year 5.

Making savings of this kind can ensure that local government can continue to deliver or improve services for local communities.

The assumptions used in the analysis identify a prudent level of saving that could be achieved from the merger of the councils.

However, there are further opportunities for savings to be achieved from future transformation of service delivery. It would be for any new authority to establish the future vision of service delivery and priorities. Therefore, at this stage such unsubstantiated savings have not been included within the overall assessment of value for money.

Shared services or merging?

It must be noted that many of the savings identified above could also be delivered through a shared service arrangement between the two Councils, rather than a full merger.

However, there is a strong case that merging the two authorities would result in further financial savings.

First, only a merger could deliver the benefit from the democratic savings, including from reducing the number of members.

Second, there are likely to be further benefits from removing duplication, including producing one set of financial accounts, one budget, incurring one set of audit fees and holding one bank account. These are difficult to quantify at this stage but nonetheless still real.

Third, a full merger provides a greater likelihood of more savings being achieved from service optimisation. It creates a greater cultural shift by creating one organisation, removing some of the politics around identifying who benefits from savings under a shared service arrangement. The vision for the future can be simpler and more joined up, allowing greater delivery of savings.

On this basis we would assume that there would be a greater likelihood of achieving the top end of the savings ranges identified on p22 if the Councils were to merge.

Non-Financial Benefits

Community identity and effective local leadership

Any proposed model of local government should be reflective of the way people live their lives, including where they live and where they work. There is a coherent and recognised South Warwickshire place built around the towns and the key transport routes of the M40 and the Chiltern rail line. There is a single economic geography with a significant number of residents living in one district and working in the other. 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.

A super-district could speak up for the interests of this place and the discrete local communities within it, creating a stronger, unified voice than currently exists, ensuring the place's voice is heard at a strategic level. The super-district provides the opportunity for genuinely meaningful recognition and leadership of real places throughout local government structures.

A super-district can also provide local political leadership and accountability which will enable engagement with residents and support local decision making. It can promote the interests of the individual places and reflect the needs of the discrete local communities. The super-district can stay close to its communities, building a new set of relationships with individual communities at a local level, underpinned by visible and accountable leadership. It can support the action on the ground in communities that will prove to be truly transformational in securing improved outcomes.

For example, the Districts have already been discussing developing their relationship with parish councils with the Warwickshire Association of Local Councils. It should be noted that parish councils have different strengths and weaknesses and levels of capacity. Not all parish councils will want to or are ready to develop a new relationship. Where possible though, a super-district could take forward some of the following elements:

- The organisational structure could be focused on connection with local communities and their wellbeing rather than around 'old' departments which is the case currently. Ongoing liaison could be directed through one point of contact for parish and town councils going forward;
- A community governance review should be undertaken to understand the role of existing parishes and parish meetings, as some smaller ones may need to be considered for Joint Parish Councils;
- More effective governance training is required in some areas, similar to the joint training undertaken by Stratford-on-Avon, and further encouragement for individual councillors to undertake Continuing Professional Development (CPD) is recommended;
- A continuation of support to use the Quality Councils approach; strengthen Local Councils Agreement and retain the Parish Councils Champion role; and

- Building on the experience of work in Bishop's Tachbrook to develop Community Investment Packages for particular communities.

By working with and developing the local parish councils a super-district can preserve effective local leadership and local decision making and local democracy, and maintain the interests of the individual places.

The potential for improved service delivery

A super-district would have the potential to improve service delivery for several important reasons:

- As reflected in the financial assessment, a super-district could deliver economies of scale and make reinvestments in services, maintaining services at current levels for longer in a difficult financial environment;
- It could provide clearer representation between local government and other public bodies and a stronger voice, thereby creating better quality services that meet the needs of residents;
- The super-district may be able to 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 the quality of its managerial leadership, as larger councils are more likely to be able to offer a better compensation package and varied career opportunities, with a wide range of duties, which may attract a larger pool of applicants; and
- There would be more opportunities for innovation in service delivery as a result of a larger organisation with bigger staff teams and more capacity and ability to invest in areas such as digital and technology.

There may be specific benefits to certain service areas. For example, the service areas of housing and planning could benefit.

South Warwickshire faces challenges in these areas. There is a clear housing market across the Southern area of Warwickshire covering the geographical areas of Stratford-on-Avon and Warwick District including Kenilworth, Leamington Spa and Alcester areas. Within this market, poor housing affordability is a major issue in some areas, with people on middle and low incomes struggling to afford any market housing, whether through ownership or private rented. For example:

'The average house in Stratford-on-Avon District is now £65,000 more expensive than the national average. The district has the worst affordability ratio in the county and is in the top 25% least affordable places outside of London. Since 2012, house prices in the area have increased 20%; only 5% less than the four years prior to the housing market crash in 2009, raising fears of housing bubble'.⁸

Unfortunately the COVID-19 pandemic has made this worse. There will be an even greater need for affordable housing going forward – and the right tenures and types of affordable

⁸<https://www.stratford.gov.uk/doc/207735/name/DECEMBER%20Stratford%20Industry%20and%20Economic%20Strategy%20FINAL.pdf> p35

housing – across both Councils, which both have challenges regarding limited affordable or social accommodation.

A super-district could create a single planning function and a single aligned local plan, which could enhance and streamline housing growth. A single local plan provides a broader view of the infrastructure and housing need, setting a clear footprint for the area, whilst giving greater choice and options for those in need of housing. This could also result in reductions in the cost of producing such a plan.

A consolidated planning function means improvements in the management of major programmes, simplified business engagement, and increased talent retention (due to better progression opportunities in a larger team).

The development of the last Local Plans demonstrated that South Warwickshire was a useful construct. Warwick District area had several initiatives in common with Stratford around Gaydon and the south of Warwickshire (Warwick, Whitnash and Leamington and Bishop's Tachbrook) including infrastructure planning along the A46 and M40, and the impacts of housing proposals around Southam.

Back office services such as legal or internal audit could be brought together, or, if one model is considered to be superior, adopting that model across the whole council area.

Contracts could be commissioned by one council creating one service and the resulting economies of scale in areas such as leisure management. It has already been agreed by both councils to pursue a joint waste contract.

There would also be the potential to do more at scale on addressing climate change, an issue very important to both Councils, and one better addressed at scale where greater impact can be made in reducing carbon emissions.

The question of influence is also important. For example, the South Warwickshire council could work with South Warwickshire NHS Foundation Trust to open up the opportunity to better achieve place based integration of health and social care services. It is widely acknowledged that integration at a local place and neighbourhood level, built around primary care, is critical to good performance.

The super-district could be close to the voluntary sector and local communities, building community resilience and independence, and focusing on preventative solutions such as social prescribing, taking a whole population health approach to the health and social care needs of the population. This, again, is accepted best practice within NHS England's Long Term Plan. This model would overall deliver the King's Fund model of integration that the sub regional bodies want to achieve.

Creating the conditions for economic growth

A super-district could provide greater influence within the economic agenda, playing a bigger role in organisations such as the WMCA and the LEP.

The super-district should be able to create a strong unified voice in this area. The economy of the South of the county is fairly consistent, and is largely based on higher value industries, particularly in the fields of professional business services, computing and software, and high-value engineering and manufacturing. Tourism is a very important economic sector locally.

A super-district would create a more powerful voice for the South Warwickshire economy that can work within and influence existing partnership organisations and structures such as the WMCA and the Coventry and Warwickshire LEP. Within the WMCA, when Gross

Value Added (GVA) is examined, the proposed South Warwickshire economy is the second biggest, second only to Birmingham. This is shown in the table below.

Unitary	Gross GVA 2018	GVA change 2020	GVA change 2021 (projected)
South Warwickshire	9,413	-12%	9%
Birmingham	27,266	-10%	9%
Coventry	8,979	-12%	10%
Dudley	6,066	-10%	9%
Sandwell	6,729	-10%	8%
Solihull	7,529	-12%	9%
Walsall	5,742	-10%	8%
Wolverhampton	6,075	-10%	8%

As noted above, the economic challenges are significant. South Warwickshire faces particular economic difficulties due to the exposure to areas such as tourism, which have been decimated by the pandemic. Stratford-on-Avon has been identified as the fourth worst hit economy nationally due to COVID-19, due in the main to its exposure to the tourism and hospitality industry.

The super-district must stand up for these interests, and create local plans to meet these local needs, with real emphasis given to the local challenges, while working through the WMCA to focus strategically on major issues including transport, skills and Economic Development. This combination of activity should allow a more coordinated and strategic approach to the economy, supported by joined up planning, and this should have an impact on economic growth and productivity. The merged council would be well placed to provide better place leadership, also supporting travel to work patterns in the region, but also offer accountability and collective and collaborative local decision making across the South Warwickshire economic geographies.

A South Warwickshire council could retain its identity and maximise its ability to thrive through a more joined up strategic approach that tackles major issues including transport, planning and housing.

It is easy to envisage an approach that combines a South Warwickshire council with membership of WMCA, providing an ideal combination of strategic thinking on issues such as planning and transport, and local focus on the economy of place and the specific challenges that need to be faced.

Shared services or merging?

As with the financial benefits, it must be noted that many of the benefits identified above could also be delivered through a shared service or greater collaboration between the two Councils, rather than a full merger.

A shared service or collaboration arrangement also has the benefit of being more flexible, as the councils can select the services to be integrated, choosing those where they save money or improve the service. It also results in less disruption and cost of change.

However, a shared service or collaboration arrangement does make it less likely that the benefits identified above will be delivered. There are more likely to be variances in the policy positions and approaches from the two authorities which would create additional work, bureaucracy and cost.

A full merger has greater potential to achieve both financial and non-financial benefits that result from economies of scale and a stronger strategic voice.

Risks and disbenefits

Should the merger go ahead, the councils will need to anticipate and manage the inevitable risks.

Many of these are general risks associated with the delivery of large scale transformation programmes, and some are specifically associated with merging two councils, working across new geographies.

Some of the risks relating to local government mergers have been demonstrated in the table below.

Ratings have been included based on the likelihood of the risk arising and the severity of its impact should it materialise. 5 is the highest rating and 1 is the lowest. The severity and impact score have been multiplied together to give an overall risk score, before mitigations.

Mitigating actions have been outlined against each of the identified risks.

It is important to note that while the risks need to be considered carefully they are not intended to be a substitute for a detailed risk register.

Disbenefits

Perhaps most importantly, each of these risks could easily turn into disbenefits if they are not managed effectively.

For example, lack of effective programme management and decision making could lead to lack of delivery of savings, which remove the benefits of proceeding and may even increase costs.

Therefore, when the Councils are choosing whether to proceed, they should consider whether the potential benefits outweigh the risks (and potential disbenefits) in the table below.

Risk	Theme	Likelihood (1 to 5) Impact (1 to 5) Risk score (1 to 25)			Mitigation
Establishment of a larger local authority could lead to a 'democratic deficit' as a result of the reduction in the overall number of elected members.	Reorganisation	2	3	6	<ul style="list-style-type: none"> Establish arrangements to help elected members encourage community participation in decision making. Exploit the opportunities that modern technology offers to increase engagement between residents and elected members.
A bigger council may result in diseconomies of scale and risk long term sustainability of local government.	Reorganisation	2	3	6	Any changes to services should be carefully assessed and the right scale for all services should be found. Services do not have to be delivered at the super-district level if they are better delivered more locally. Economies of scale should only be made when suitable.
The Government may not give assent to the merger proposal.	Reorganisation	2	4	8	<ul style="list-style-type: none"> Build a strong business case showing clear financial and non-financial benefits. Continue to build a strong record of collaboration between the two Councils, strengthening the rationale for merging. Consult the public and show the results of this consultation.
The larger the council the greater the risk the council may not be able to respond to distinctive local needs in its delivery of services.	Reorganisation	4	3	12	<ul style="list-style-type: none"> Establish arrangements to help elected members encourage community participation in decision making. Exploit the opportunities that modern technology offers to increase engagement between residents and elected members.
Lack of programme management and transformation capacity and capability to deliver the merger and transformation around the same time.	Large scale transformation	3	3	9	<ul style="list-style-type: none"> Transformational funding will be required to fund additional Council Staff posts to manage the change. A phased approach where the merger is implemented first along with robust change management processes before wider large scale transformation takes place will help ensure there is sufficient change management capacity

					<ul style="list-style-type: none"> • Where appropriate buy in the skills and capacity needed. • Ensure timescales are realistic based on the resources available. • Implement a robust Programme Management Office (PMO) to track and monitor delivery of the programme, realisation of benefits (with measurable targets), risk management, member engagement, governance and reporting.
Newly formed teams and organisational cultures are not integrated which may lead to staff issues such as reduced morale and increased staff turnover.	Reorganisation	3	4	12	<ul style="list-style-type: none"> • A communications strategy and plan should be produced explaining the transition process and the operating principles of the new authority. • Identify opportunities to create capacity through new staffing models. • Maximise the opportunities afforded by workforce agility, technology and partnership working with other public sector agencies. • Senior leadership should model the new behaviours and actively manage culture change during the transition. • Embed new ways of working into performance management and reward systems. • Identify staff change champions.
Anticipated savings are not achieved and/or transition costs exceed estimates which may impact on the financial resilience of the new council.	Large scale transformation	3	4	12	<ul style="list-style-type: none"> • Development of a clear approach to benefits realisation and establishment of appropriate monitoring arrangements through a programme management office. • Develop thorough and realistic cost and savings plans based on independent estimates. Use scenarios to stress test best and worst case outcomes. • Undertake regular reviews of the savings profiles and calculations during implementation to ensure they remain realistic and achievable.
Failure to effectively manage interdependencies between transformation activities may lead to increased cost of delivery and / or implementation delays.	Large scale transformation	3	4	12	<ul style="list-style-type: none"> • Establishment of a programme management office. • Development of a detailed implementation plan. • Implement a robust change management process.

The complexity of IT integration may undermine and put at risk the potential benefits of common working practices gained from IT integration.	Reorganisation	2	4	8	<ul style="list-style-type: none"> •The future IT architecture will need to be defined and the current position baseline understood. •A clear plan for migrating IT systems during the migration. •Be realistic about the pace of integration - it will take several years and a lot of investment.
Preparing for the transition may draw resource away from delivering other council strategies and plans, increase the risk of service disruption and reduce resilience of the existing and new councils.	Large scale transformation	4	4	16	<ul style="list-style-type: none"> •It is suggested that the Councils embark on a phased approach by firstly building shared services and then merging. •Test resilience to ensure crisis systems, risk capacity and risk management systems are in place. •Establish a clear split between those working on the merger and those running the operational business and bring in additional resources where there are capacity and skills gaps.
The Grading Review as part of this process may result in potential extra costs due to some posts being uplifted and others being protected. This may compromise the delivery of savings.	Reorganisation	3	3	9	<ul style="list-style-type: none"> •Review potential savings on a continual basis through the implementation phase. •Design future structures of joint teams to remain within allocated budget including potential implications of grading review.
If staff leave during the transformation process, and before efficiencies are realised, then the retained workforce will be insufficient to delivery services	Reorganisation	1	5	5	<ul style="list-style-type: none"> •Ensure service transition models are staggered so that there is sufficient staff to establish new processes and support the new organisation to manage the loss of knowledge and experience •Once new processes are established, consider efficiencies and potential redundancies
Implementation of a major change may be seen as a capacity risk at a time when there will also be a major focus on COVID-19 recovery activities.	Large scale transformation	4	3	12	<ul style="list-style-type: none"> •Set out clear timescales and resource implications for implementation, and ensure these can be met under the current ways of working and COVID-19 pressures (including any backlog of work due to the pandemic). •Review capacity against the timescales and resource requirements, and identify gaps where recruitment / external support is required.

The process of agreeing a new service design could lead to a service that is not ideal for either predecessor.	Large scale transformation	3	4	12	<ul style="list-style-type: none"> • Any changes to services should be carefully assessed and the right scale for all services should be found. Services do not have to be delivered at the super-district level if they are better delivered more locally. • Ensure the implementation plan allows enough time for services to be co-designed and agreed upon.
Changes in leadership can impact negatively on the appetite for shared services and joint working.	Large scale transformation	2	4	8	<ul style="list-style-type: none"> • A communications strategy and plan should be produced explaining the transition process and the operating principles of the new authority. • Identify staff champions. • Senior leadership should model the new behaviours and actively manage culture change during the transition.

Implementation considerations

The importance of a robust approach

With a transformation programme as ambitious and complex as this, it is imperative that it is adequately planned and resourced. When delivering ambitious programmes there needs to be an element of realism in terms of what can be achieved with the available resource and time. A lack of resource and capabilities is one of the most common reasons why organisational change fails. Implementing change, which is then tested, refined and reinforced, is often more expensive and takes longer than people realise. It is, therefore, paramount that sufficient resource is dedicated, including programme management and transformation capacity, to ensure effective implementation. If programmes are not planned and resourced adequately then there is a risk the full benefits will not be achieved.

In this regard, a specific budget to support and coordinate implementation has been included in the financial assessment above for two key project manager roles. However, it should be noted that implementation will not fall to these two individuals alone. It will be the responsibility of the leadership and management team of both Councils to drive forward the merger process and support their staff to create a new organisation. The effort required in this kind of wholesale cultural change should not be underestimated.

In order to ensure the smooth transition the Councils should consider the key issues for implementation and overall approach.

The two authorities are building on a strong foundation. They have already commenced closer working and are taking steps to move towards merging the organisations. For example, the senior teams of both Councils have commenced drafting of joint procedures to bring together their approaches to redundancy and redeployment. Further, as mentioned previously, work is underway to review and consolidate the senior team structures to remove duplication of roles.

Implementation plan

The diagram below outlines a high level implementation plan for the establishment of a super-district.

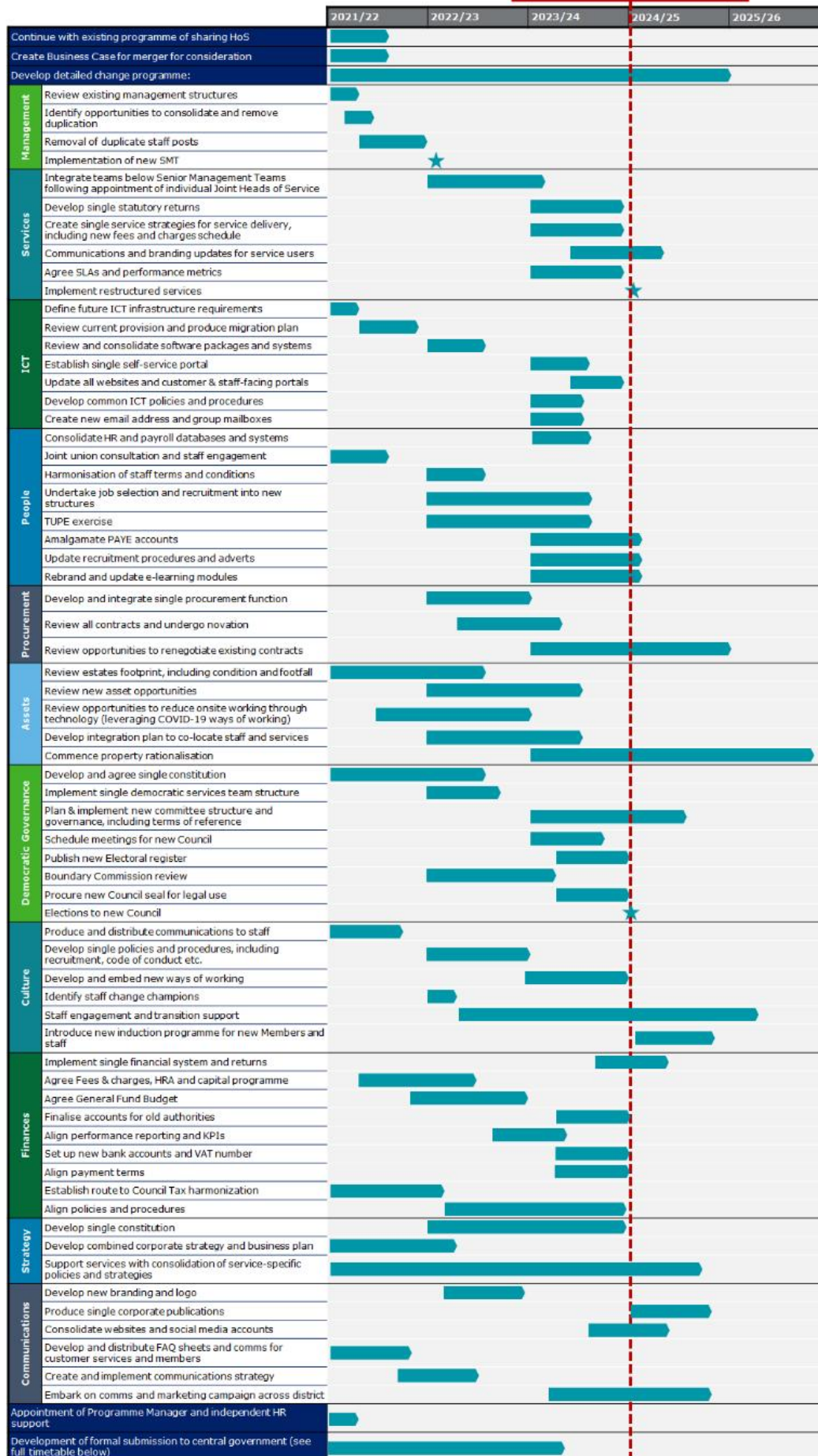
This outlines 11 proposed workstreams.

The implementation plan sets out some of the core activities required in these workstreams to move towards closer working and an eventual merger.

In terms of governance, the Heads of Service would lead the workstreams, with the Leader, Deputy Leader, Chief Executives and Deputy Chief Executives forming a governance board to oversee delivery.

The timescales below are indicative and subject to change as the Councils progress the business case through to formal approval.

Formal merger completed



A brief overview of the 11 indicative workstreams which could form the implementation programme is provided below.

Management

This work stream would establish the management team and structure required under the new authority.

Services

This work stream would develop customer service strategies and focus on front line delivery, ensuring there is seamless transition to the new council for customers and that ambitions for performance standards are met. As part of this, the workstream will integrate teams below SMT once Heads of Service have been consolidated across the councils.

To develop and implement combined services, the authorities will need to work on creating consolidated strategies for service delivery and implement the service efficiency opportunities identified in the Financial Case as a result of combined service offerings.

ICT

This work stream would look at the key assets and enablers that the future council would need in order to deliver services effectively. The future technology architecture would need to be designed to support the transition to a new operating model and there would need to be a clear understanding of the phasing and pace of technology change required.

Further work is required to review and consolidate systems, software and online portals to remove duplication and align under a single entity.

People

This work stream would identify activities required to support the transition of staff to a new model of operation as defined by the organisational structures for the new council and their working practices. Time will be required for extensive consultation with staff. Staff need to be kept informed and decisions on their individual futures communicated as soon as possible. The work stream will also require updates and consolidation of HR procedures and policies, as well as producing a new training and development programme for all staff.

Procurement

To leverage the new scale and size of the authority, this work stream will look to create a joint procurement function across the two authorities, prior to consolidation under the new merged council. As part of this, the procurement service will also review all existing contracts, applying novation where necessary, but also identifying opportunities to renegotiate contracts where efficiencies and benefits can be delivered as a result of economies of scale.

Assets

This work stream would identify options to reduce and consolidate assets owned by both authorities to deliver cost efficiencies. Decisions would also need to be taken about the physical locations that the new council would occupy. This could involve investment but is likely to be offset by savings made from surplus elsewhere. This will need to take account of post COVID-19 working patterns and the anticipated greater levels of working from home.

Democratic Governance

Moving towards a new merged council will require a review of corporate governance arrangements and the implementation of new committee structures. This work stream will support this, as well as the development of a single constitution, democratic services team, and new governance structure.

Further work will also focus on combining the electoral services of both authorities and the reduction in democratic members as outlined in the Financial Case. This will require a Boundary Commission review to identify where councillor seats can be combined, with the final step in this workstream focused on the elections to the new Council in 2024/25.

Culture

The new council would need to consider what kind of culture they want to develop, as well as the initiatives they would put in place to support staff and the pay/salary structures. This will require a significant communications campaign to engage staff, develop single policies and procedures, and implement new ways of working.

Finances

A key task will be to establish the budget requirement, the council tax requirement and the Band D council tax for the year restructuring comes into effect. As outlined in the Financial Case, there will need to be careful planning and consultation required around the council tax harmonisation.

This work stream will also complete the consolidation of various financial instruments and policies, including the Fees and Charges schedule, financial reporting and KPIs, bank accounts, and VAT numbers.

This workstream may also need to look at the pension schemes of both Councils and how these transition to the new local authority, in particular, what is done around contribution rates.

Strategy

The creation of a new council will require the development of a single corporate strategy and business plan in the run up to, and after, the new single authority is created. All services and back office functions will also need to develop or consolidate existing policies and strategies to go live in 2024/25.
















Communications

A significant work stream, this will focus on ensuring there is a plan for all stages of the implementation, appropriate for all audiences, to make sure everyone is well informed at the same time. This will include engagement with Members, Staff and the public to discuss the impacts of integration, timescales and what to expect once the new authority is established.

There will also need to be a programme of work to create a new corporate identity in the form of logos, branding, new websites and social media accounts for the new single authority.

Secretary of State Approval

Alongside the above workstreams, there is a formal process that will be required to undertake to gain Secretary of State approval to form a new super-district council. The timeline below is indicative of this process, with key actions required from the start of 2022 in order to meet the timescales for completion in 2024.

Milestone	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Councillors vote to approve the proposal to create a 'super district' council										
Business case submitted to the Department of Communities and Local Government										
Public consultation – telephone poll										
Detailed public engagement campaign enabling residents to submit their views										
All submissions following public engagement considered by all councillors along with the feedback received during the telephone polling										
Following submission of proposal to the Secretary of State there is a period for representation										
House of Commons and House of Lords must approve the Order to legally create a new authority										
Local Government Boundary Commission England (LGBCE) publish draft recommendations following their review										
LGBCE consultation on draft recommendations										
Local government Secretary of State officially signs off the proposal										
LGBCE recommendations presented to parliament										
Electoral Changes Order, to implement recommendations made by the LGBCE, for new electoral arrangements										
40 day period of Parliamentary scrutiny for new ward arrangements										
New councils established										
Local elections										

Conclusion

This high-level business case has demonstrated that there is a strong strategic, economic, financial and operational case for the merging of the two Councils for the following reasons:

- Government policy appears to be encouraging councils to operate at greater scale, and super-districts have been encouraged by the Secretary of State for Housing, Communities and Local Government recently. Creating a super-district, therefore, fits with Government policy and thinking.
- A super-district would have a stronger strategic voice with stakeholders, be more able more easily to enter into partnership arrangements with other organisations, benefit from increased capacity and resilience with a larger pool of resources in all functional areas, deliver improved customer experience by delivering greater consistency of approach, particularly for customers operating across both districts, and be a more effective employer by creating a structure that offers more career opportunities and greater appeal in the jobs market.
- Merging the two Councils builds on a long-term strategic trend of significant collaboration between the two organisations. It also builds on strong foundations as there are similarities between the two Councils.
- A super-district may be better placed to deal with some of the significant strategic issues facing South Warwickshire including the economy, housing or climate change.
- Both Councils face significant financial pressures and need to make savings; merging the councils provides the potential to improve the financial position and ensure that local government can continue to deliver or improve services for local communities.
- 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.
- 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, ensuring the place's voice is heard at a strategic level.
- It 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 WMCA and the Coventry and Warwickshire LEP. Within the WMCA, when 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, assessing the variation in performance and cost of delivery of services across both Councils, and under a single management structure, delivering greater performance consistency by applying best practice and reducing variation,

strengthening its managerial leadership, as larger councils are more likely to be able to offer a better compensation package and varied career opportunities.

There are of course significant risks attached to any transformation programme of this magnitude. A risk analysis has been undertaken and some of the most significant are:

- The Government may not give assent to the merger proposal, which would mean that the Councils have to proceed in a different way;
- Lack of programme management and transformation capacity and capability to deliver effective implementation and transformation, creating effective single teams, managing interdependencies and delivering savings;
- Establishment of a larger local authority could lead to a 'democratic deficit' as a result of the reduction in the overall number of elected members, result in diseconomies of scale and may not be able to respond to distinctive local needs and respect local identities within South Warwickshire;
- Preparing for the transition may draw resource away from delivering other council strategies and plans, increase the risk of service disruption and reduce resilience of the existing Councils and new Council, this is especially important during the COVID-19 recovery period; and
- There is a risk staff leave during the implementation period due to uncertainties caused by the process and the retained workforce will be insufficient to deliver services and transformation.

These risks could easily turn into disbenefits if they are not managed effectively.

For example, lack of effective programme management and decision making could lead to lack of delivery of savings, which remove the benefits of proceeding and may even increase costs.

Therefore, when the Councils are choosing whether to proceed, they should consider whether the potential benefits outweigh the risks (and potential disbenefits).

Conclusion

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, 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, with a detailed implementation plan established.



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Stratford-on-Avon District Council (SDC) and Warwick District Council (WDC)

Joint Arrangements Steering Group (JASG) Terms of Reference

Membership

- There are twelve members in total with six members from each Council, comprising:
 - The Leader and Deputy Leader
 - Four other members representing the other political group(s), appointed by the respective Leader

In addition, three substitute members will be appointed by the respective Leader.

Terms of Reference

- To oversee and monitor the Implementation Programme, the Risk Register and the Communication Plan
- To oversee and supervise joint working across both Councils
- To consider business cases for joint working and make recommendations to each council as appropriate
- To act as the forum where issues or reports in relation to joint working are discussed prior to consideration by each councils' decision-making processes
- To receive regular reports on:
 - Progress against agreed actions
 - Realisation of projected savings
 - Emerging issues and risks together with proposed mitigation measures
- To recommend steps relating to the communication of matters relating to joint working
- To establish and maintain protocols to deal with any conflicts of interest of individual officers engaged in joint working
- To consider and recommended resolution of any dispute arising between the Councils after the implementation of joint working decisions
- To oversee the work of, and receive reports from, any sub groups which are established by JASG.

Status of JASG

JASG has no decision-making powers. It has an advisory role, making recommendations as it thinks fit to each Council, as appropriate.

Determination and implementation of any recommendations of JASG rests separately with each Council, or the Joint Committee established by The Cabinet (SDC) and The Executive (WDC) where its terms of reference allow.

Quorum

The meeting is quorate if three elected members from each Council are present.

Officer Support

The following officers from each Council are entitled to attend JSG meetings:

- The Chief Executive and Deputy Chief Executive(s)
- The Monitoring Officer and Joint S151 Officer
- Other Heads of Service as relevant to agenda business

Administrative support is provided on an alternate basis by the Democratic Services teams of each Council.

Frequency of Meetings

The Joint Steering Group will meet as necessary and on at least four occasions a year.

Venue of Meetings

If face to face meetings take place the venue will alternate between Leamington and Stratford-upon-Avon where possible.



South Warwickshire *Together*

PROGRAMME BRIEF

South Warwickshire Together Programme

Version: 3.0

Date: July 2021

Author: Timothy Oruye

Executive Sponsors: David Buckland, Chris Elliot

1 Document History

1.1 Document Location

Document will be held on the Programme Teams site

Revision Date	Author	Version	Summary of Changes	Changes Marked
05/07/2021	Timothy Oruye	1.0	First draft	
09/07/2021	Timothy Oruye	2.0	Initial amends from PB	
13/07/2021	Timothy Oruye	3.0	Further amends from PB	

1.2 Approvals

This document requires the following approvals:

Name / Group		Date of Issue	Version
Programme Board		13/072021	3.0
JASG		13/07/2021	3.0

1.3 Distribution

This document has additionally been distributed to:

Name / Group	Date of Issue	Status
Transformation Portfolio Holders		
Joint Management team		

2 Programme Brief Purpose

The programme brief provides a framework for the Sponsors to gain agreement and buy in from the South Warwickshire Together Programme stakeholders to the programme vision and high-level strategic objectives. Stakeholders for this programme include but are not limited to residents, businesses, partner organisations, neighbouring councils, elected members, MPs and Council staff. It describes the strategic landscape in which the programme will operate, the high level benefits expected and is a formal reference point for programme scope.

3 Programme Background and Description

At the respective meetings of Council in February 2021 both Stratford on Avon and Warwick District Council agreed the following vision statement:

“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.”

This will require a significant programme of change activities over the next 3 year period to prepare and deliver the desired objectives.

During the past year, both Stratford-on-Avon District Council and Warwick District Council have been working together in a number of areas to respond to the coronavirus pandemic in the wake of substantial losses to income and budgets. This is coupled with the ambition of both Councils to protect improve and expand the valuable services provided to residents across South Warwickshire.

Work has already started on the production of joint Local Plan, a joint procurement process has started for a joint refuse and recycling contract and the Councils have recently implemented a joint management team. Working towards merging the two Councils builds on a long term strategic trend of significant collaboration between the two organisations. It also builds on strong foundations as there are similarities between the two Councils. Both Councils face significant financial pressures and need to make savings; merging the Councils provides the potential to improve the financial position and ensure that the Councils can continue to deliver or improve services for local communities.

There are many similarities between both Councils such as:

- Shared economic geography
- Shared sense of community between authorities
- Strong political relationships between Leaders
- Within the same County Council area

The two Councils coming together will create a super-district which will be well placed to address some of the significant strategic issues facing South Warwickshire including climate change, the economy and housing.

Public views will be crucial in determining whether a submission is made to government to request that the two Councils formally merge. Proposals will include reviewing the services provided, jointly commissioned contracts and investigating joint political leadership to create a stronger, unified voice for residents and businesses in South Warwickshire.

4 Change Drivers

The following are driving the need for change and the scope of the programme:

- Both Councils have significant financial pressures and a need to make savings in order to continue to deliver the same or better services
- Building on an established collaboration and joint working arrangement between both Councils to better serve the communities in South Warwickshire
- Enhancing delivery of a joined up focus on recovery from the effects of the COVID-19 pandemic
- Retaining the status quo is not recognised by both Councils as a responsible option
- Enabling a greater voice that better represents the economic geography of South Warwickshire

5 Programme Objectives

The programme objectives are as follows:

- Designing and delivering change activities across both existing Councils during the transition to become a single Council fit for the future
- Engage with the public, partners and businesses to garner support for the proposed changes and inform on progress
- Managing milestones, scope and dependencies
- Realising benefits, mitigating risks and seeking opportunities to add more value
- Legally creating a single statutory South Warwickshire Council by 1 April 2024
- Laying the foundation for further transformation and improvement after vesting day

5.1 Benefits

The following benefits are to be targeted:

- Achieving annual net savings identified in the Medium Term Financial Plans (MTFPs) of both Councils
- Enhanced partnership working across the combined geographical area of South Warwickshire
- Increased presence, influence and strategic voice for South Warwickshire within the Midlands region
- Increased capacity and resilience to deal with significant economic challenges ensuring that local government can continue to deliver or improve services for local communities
- Improved customer experience for residents and businesses across both districts
- Increased efficiency through economies of scale
- Strengthened workforce opportunities within the new larger organisation

5.2 Critical Success Factors

Success will be demonstrated by:

- Formal Business Case proposal, supported by key stakeholders, is approved by both Councils in December 2021, subsequently submitted to MHCLG by December 2021
- Approval to merge being granted by the Secretary of State
- Roadmap to delivery of the financial benefits established
- Service areas integrated across both Councils in a phased approach by April 2024
- New Council legally formed on 1 April 2024
- Members elected to the new South Warwickshire Council in May 2024

5.3 Scope

To deliver the programme objectives, the following is in scope:

- Development and submission of a business case proposal to Central Government (**Business case proposal development**)
- Communicating and engaging with all key stakeholders appropriately using a variety of channels throughout the journey of change (**Corporate communications**)
- Establishing a revised senior leadership structure (**Leadership restructure**)
- Support the transition of staff to the new model of operation including extensive consultation, union engagement, consolidation of HR policies and procedures and creating a new training and development programme (**Organisational Development**)
- Design and deliver integrated service areas and enable optimisation beneath the restructured senior leadership team (**Service integration and optimisation**)
- Establishing and enabling a more aligned culture and new ways of working for staff and councillors to operate a Council fit for the future (**One Team Together**)
- Integrating ICT infrastructure and systems in a phased approach (**ICT / Digital**)
- Design and deliver options to consolidate the assets owned by both Councils (**Assets**)
- Consolidation of financial instruments and policies including fees and charges schedule, financial reporting, key performance indicators, bank accounts and VAT numbers (**Finance**)
- Establishing a consolidated procurement approach and seeking opportunities for improved contracts for the new Council (**Procurement**)
- Review of corporate governance arrangements, implementation of new committee structures, combining electoral services including facilitating a boundary review (**Democratic governance**)
- Creation of a more aligned constitution and legal identity (**Formal merger**)
- Development of an aligned corporate business strategy or Council Plan (**Corporate Strategy**)
- Satisfy all the conditions required in the formal merger process set by Central Government (**Formal merger**)
- Deliver the process to abolish both Councils and create a new Council (**Formal merger**)

This scope will result in a series of discrete workstreams and projects, outlined in the implementation plan (see appendix).

5.4 Constraints, Assumptions and Dependencies

The main constraints on the programme identified to date include:

- Criteria set by the Secretary of State for merging district councils required to be met include;
 1. Improve the area's local government;
 2. Command local support, in particular that the merger is proposed by all councils which are to be merged and there is evidence of a good deal of local support; and
 3. The area is a credible geography, consisting of two or more existing local government areas that are adjacent, and which, if established, would not pose an obstacle to locally-led proposals for authorities to combine to serve their communities better and would facilitate joint working between local authorities.
- Political balance and constitution of each Council could present challenges for key decisions and milestones
- Organisational structure, support infrastructures and operational approaches of each Council could present challenges to further integration and expected savings
- Corporate priorities of each Council could present challenges to scheduling of programme activity and expected savings.

Main assumptions are:

- Both Councils will agree to formally consider a business case proposal to become a single statutory authority December 2021
- The proposed change will receive a good degree of local support from residents, partners and businesses
- Regular engagement with MHCLG to be undertaken during the lifecycle of the programme
- The Secretary of State will grant approval to become a single statutory District Council
- On gaining approval from the Secretary of State, there will be an order to delay elections planned for May 2023 for a 12 month period along with instigating a local boundary review for the new Council
- In the case of Councils not agreeing to submit a proposal, further direction is sought from both Councils for next steps
- In the case of approval not being granted by the Secretary of State, further direction is sought from both Councils for next steps
- In the case a submission is not made or not approved, that the two Councils will still proceed with activities that deliver other identified benefits of Working Together including Service Integration
- The programme will at times also require input from in-house resources, with a number of projects and work streams running simultaneously. The make-up of this will change as required by the programme
- Impact on service delivery during the implementation of the programme will be closely monitored with the general intention to maintain or enhance outcomes
- Further detail will be captured at workstream and project level when these are initiated and scoped. Their key outputs and delivery to plan will feed into the programme as it progresses
- Change control for the programme will be managed by the Programme Board

Initial programme dependencies include:

- Organisational restructure across both councils beginning by aligning the Portfolios and creating a Joint Management Team then integrating services under the revised structure
- The outputs from the cross cutting workstreams could impact on the outcomes of other change activities within the Programme

For example, the organisational development policies developed in the HR / OD workstream would influence the schedule of Service Integration workstream and the change plans undertaken by the One Team Together workstream. This will need to be regularly and robustly managed at programme level

- Political context regarding local government reform may yet influence programme outcomes if alternative approaches are deemed favourable such as creating unitary councils

5.5 Risks and Opportunities

- Programme level risks are to be a standing agenda item for the South Warwickshire Together Programme Board and the Programme Board will be the escalation route for Project risks which cannot be mitigated at project level
- The Programme Risk Register will capture and monitor these as the programme progresses including the owners of the risk, any existing controls, consider additional controls and the current response to the identified risk
- The Programme Board should also consider any opportunities that arise as the programme progresses as these may become benefits
- The full risk register will be stored on the Programme Board site and reviewed regularly

6 Programme Organisation & Governance

- A Joint Arrangements Steering Group (JASG) made up of 12 Councillors from both Councils has been established to oversee the programme's implementation plan, risk register and communications plan. Further scrutiny will be implemented from both Councils. This group will meet at least 4 times a year.
- A Programme Board (PB) chaired by the Chief Executives (SDC and WDC) has been established to oversee progress, act as an escalation route for risks and issues and seek advice from key stakeholders. The PB is to meet at least monthly. In addition, regular progress reports against milestones will be required from workstreams and projects in flight.
- Workstreams and Projects will all have a designated lead officer supported by other resources appropriate to deliver the required outputs. These workgroups and project teams will regularly update the programme with progress against their milestones including any emerging risks and issues.

7 Programme Milestones & Reporting

Initial programme milestones are:

Milestone Theme	Governance group	Date range
Programme initiation	JASG	July 2021
Public consultation and engagement	JASG, Both Cabinets Both OSCs	August to November 2021
Business case proposal considered	JASG, Both Cabinets Both OSCs Both Councils	November 2021 December 2021
Gateway (1) Mid-December 2021		
Business case proposal submitted to Secretary of State	Both Councils	December 2021
Secretary of State receives representations on proposal	Both Councils	Between January 2022 and May 2022
Receive initial approval from Secretary of State	Both Councils	Between September 2022 and December 2022*
Service integration part 2	JASG	December 2022
Gateway 2 (on receipt of approval from Secretary of State)		
Formal process agreed to legally form single council	JASG Both Councils Shadow Authority formed	from January 2023*
Boundary review completed	Shadow Authority	By May 2023*
Service integration part 3	Shadow Authority	March 2024
New Council formed	Shadow Authority	1 April 2024
Members elected to new council	New elected Council	May 2024

*Dates are estimates at this stage

8 Programme Budget

A Programme budget of £600k in total over a 3 year period has been agreed by both Councils and delegated to the Programme Board.

The budget has been assumed to cover the core programme team, external support or specific advice associated with the merger. This resource could also be used for specific costs arising such as creating a new corporate identity in the form of logos and branding.

There are likely to be further costs relating to service alignment, including potential redundancies. These will need to be funded by any initial savings or may require additional budgetary provision.

9 Related Work

The programme will coordinate with the following other strategic programmes:

- Current SDC Council Priorities
- Current WDC Council Priorities
- Digital Strategy
- Assets Management Strategy
- Joint Local Plan
- Climate Change Programme

APPENDICES

Appendix 1 Programme Organisation and Governance

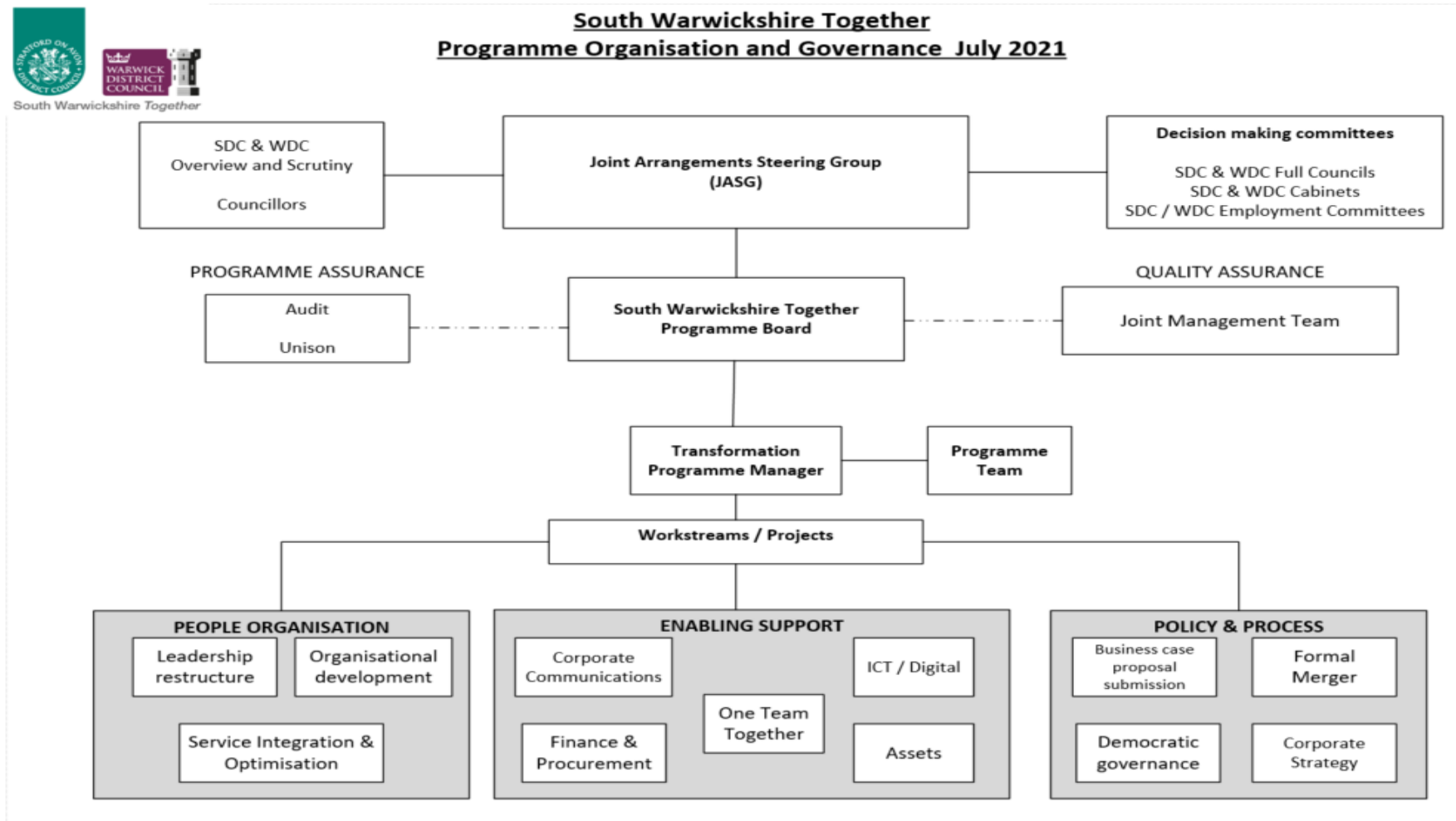
Appendix 2 Programme Implementation Plan (Outline)

Appendix 3 Programme Implementation Plan Gantt chart

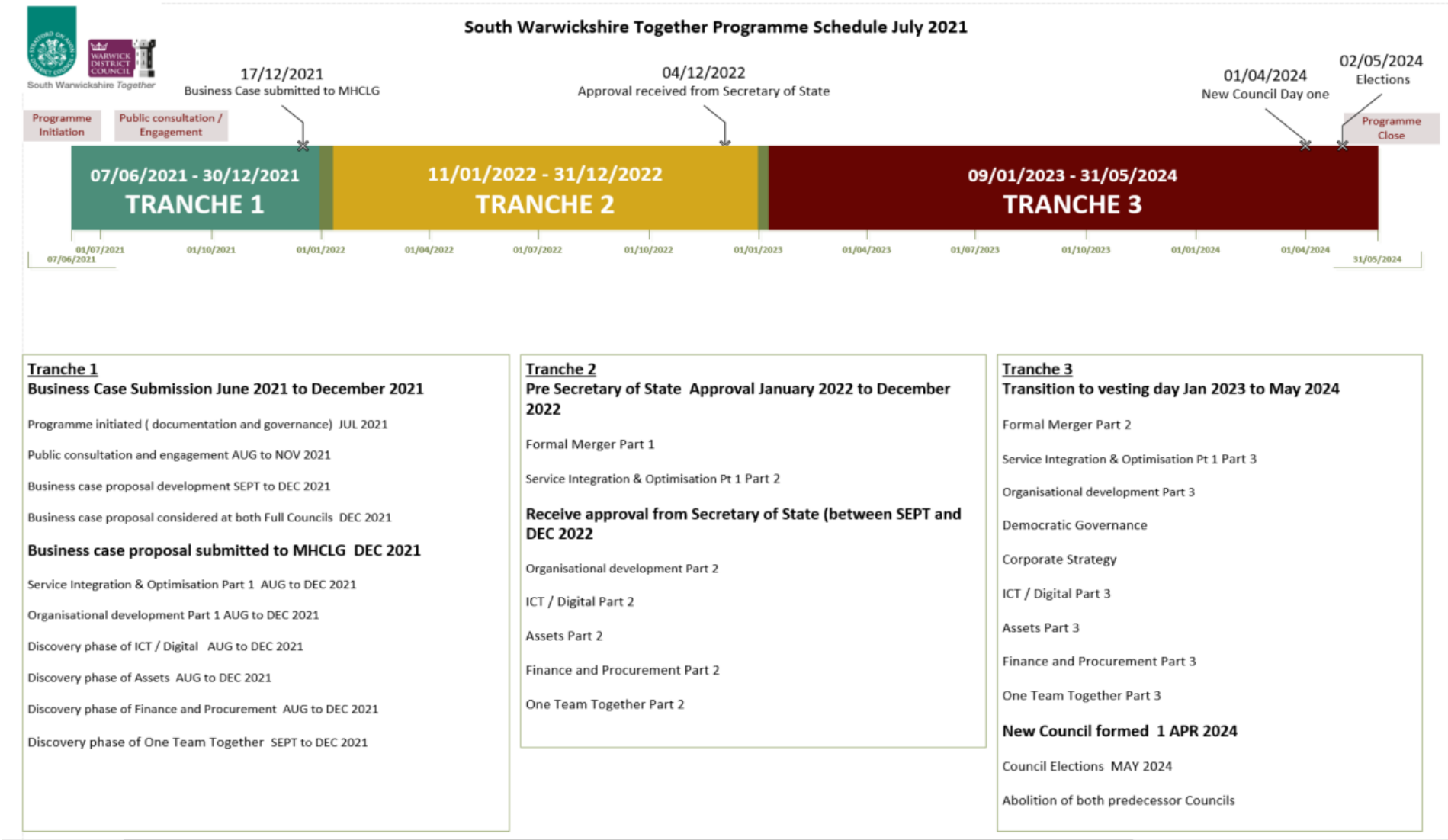
Appendix 4 South Warwickshire Together Programme Board Terms of Reference

Appendix 5 JASG Terms of Reference

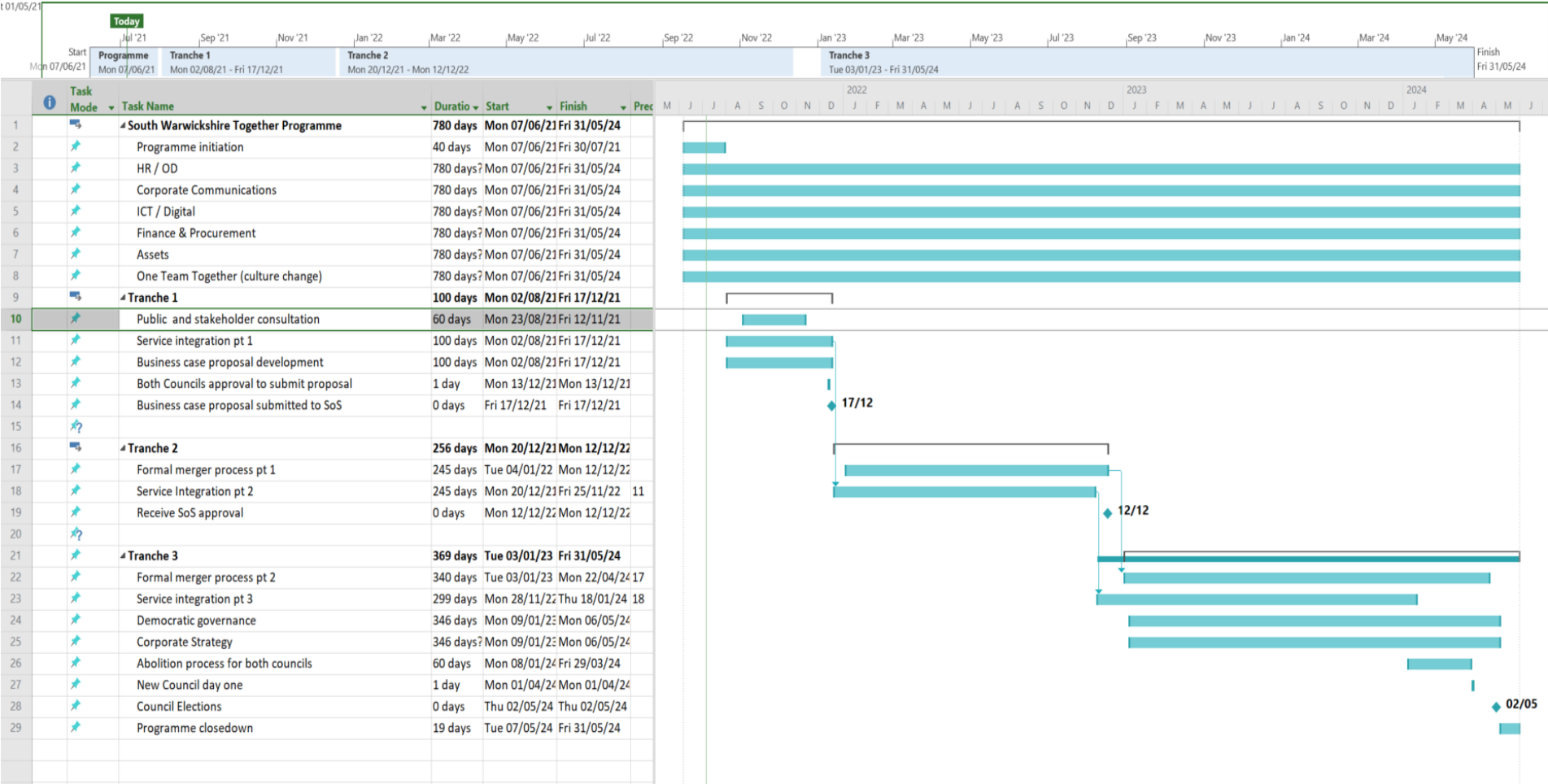
Programme Organisation and Governance Chart



Programme Implementation Plan (Outline)



Programme Implementation Gantt Chart



South Warwickshire Together Programme Board – Terms of Reference

Membership

Core Members: Chief Executives (alternate chairs), Deputy Chief Executives, Programme Director for Climate Change, Monitoring Officer, Section 151 Officer, Transformation Programme Manager, Members of Joint Management Team identified as Workstream Leads

Terms of Reference

Collectively taking responsibility for the South Warwickshire Together Programme, the Programme Board

- will approve the programmes' fundamental documentation including Programme brief, Programme implementation plan, Communications management plan and Risk register
- will initiate and oversee workstreams and projects within the South Warwickshire Together programme
- will assess and manage programme level elements including stakeholder engagement, communications, risk, issue and change management with appropriate mitigation
- will provide guidance and direction to the programme, ensuring it remains within given constraints
- will receive and review regular progress reports from workstreams and projects
- will support requests for financial and human resources for this programme
- will approve any changes or exception plans outside of agreed tolerances
- will facilitate change and champion the programme to internal and external stakeholders
- will report to the Joint Arrangements Steering Group ahead of consideration by each Councils' decision-making processes and committees

Frequency of meetings

- Meetings to be held no less than monthly to ensure the programme remains on track to deliver agreed objectives. During initiation, these will be held weekly. Frequency and duration to be reviewed regularly.
- Emergency meetings may be called by exception if recognised that any delay would be detrimental to the programme. This is at the discretion of either Chief Executive as alternating chairs.

Venue of meetings

Meetings are proposed to adopt a blended approach with potential for a combination of virtual and face to face meetings, when restrictions allow.

Stratford-on-Avon District Council (SDC) and Warwick District Council (WDC)**Joint Arrangements Steering Group (JASG)
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- There are twelve members in total with six members from each Council, comprising:
 - The Leader and Deputy Leader
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The meeting is quorate if three elected members from each Council are present.

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Administrative support is provided on an alternate basis by the Democratic Services teams of each Council.

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If face to face meetings take place the venue will alternate between Leamington and Stratford-upon-Avon where possible.

To: Chris Elliot, WDC
David Buckland, SDC

Cc: Helen Murray and James Millington, LGA
Mike Snow, Joint S151 Officer

From: Chris West, FCPFA

24th May, 2021.

Stratford-on-Avon DC and Warwick DC Financial Disclosure review

1. Scope of this report

This report has been produced to the brief included at Appendix A and is designed to provide financial information to feed into the decision making surrounding the proposed merger of Stratford-on-Avon and Warwick District Councils. In particular it will outline areas of potential risk for the 2 councils.

The report has been based on a review of financial information provided by the councils, and on interviews with some key officers, including the joint S151 officer and monitoring officers. Reference has also been made to data published by Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Association (LGA). It has been produced in a short period during April 2021 and is necessarily constrained by the resource available to input into it. The report is not intended to amount to a due diligence process nor itself be adequate as the basis for any final decision on a merger. It is designed to promote understanding and thinking across the two councils.

2. Overall summary of the councils

The two councils have similar sized General Fund budgets for 2021/22:

Stratford-on-Avon District Council (SDC): £17.370m

Warwick District Council (WDC): £17.444m

They serve similar sized populations with a broadly similar net General Fund cost per head of population. They both serve a combination of small towns and rural areas, with many challenges in common.

Both Councils have a positive overall net worth.

Both Councils rely heavily on council tax and business rates for their overall resource position – as table 2 shows in both cases these two sources amount to 66% of the resource base underpinning the 2021/22 budget. This gives the councils similar risk profiles – on one hand they are exposed to Government reforms to local government funding, which may deplete their resource base – especially business rates through the Fair Funding

Review/reset processes. On the other hand, they are to a degree insulated from future cuts to other grant support because so much of their revenue is locally generated.

One key difference is that WDC still retains its council housing stock and operates a Housing Revenue Account (HRA). At least £410m of its long term assets are HRA – if this is netted off its total assets of £534m, the net figure is £123m – which brings it much closer to the SDC figure of £78m. The HRA brings with it both assets and historic debt (of around £136m). However, the HRA is a ringfenced account and that debt should be serviced within it. Once merged SDC would have the ability to use an HRA which it no longer has, which adds flexibility to its options for housing strategy going forward – on balance this is more of an opportunity than a risk.

Both councils have outsourced many of their services including waste collection, grounds maintenance, street cleansing and leisure.

Table 1: High level comparison for some financial measures

<u>Item</u>	<u>Stratford DC</u>		<u>Warwick DC</u>	
2021 Population per ONS forecasts	133,480		144,892	
	<u>£000s</u>	<u>£000s per head</u>	<u>£000s</u>	<u>£000s per head</u>
<u>From 2019/20 Statement of Accounts</u>				
Overall Net worth	59,952	0.45	391,568	2.70
Total Usable reserves (includes capital)	22,093	0.17	65,913	0.45
General Fund Reserve at 31/3/20	8,870	0.07	3,118	0.02
Other Earmarked GF Revenue Reserves at 31/3/20	5,788	0.04	18,806	0.13
Long Term Assets	77,706	0.58	533,593	3.68
Total External Borrowing (due in > 1 year)	-		148,157	1.02
General Fund Only External Borrowing	-		12,000	0.08
Pension Deficit	40,111	0.30	40,891	0.28

3. The Medium Term Financial Strategy (MTFS)

The case for merger is heavily driven by finances, and the challenges and risks facing both councils in balancing the MTFS.

It is notoriously difficult to compare the MTFS's of two councils, because the approach to presentation and the underpinning assumptions and political priorities are so different.

One key issue is the treatment of planned savings programmes and whether or not they are shown as being delivered or not. Given this, the savings programmes of the two councils are dealt with separately in section 6 below.

Table 2 below attempts to put the information provided by the two councils on a broadly similar presentational format.

Table 2: Comparison of MTFS's

£000s					
Warwick DC	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
Net Cost of Services	17,444	15,037	14,438	14,794	15,126
Funded by:					
Business Rates/other govt funding	4,325	3,539	3,645	3,754	3,684
NHB	3,269	1,278	-	-	-
Council Tax	9,889	10,274	10,669	11,071	11,478
Other	39	54	43		
Total Resources	17,522	15,145	14,357	14,825	15,162
Gap (surplus)	- 78	- 108	81	- 31	- 36
Stratford DC					
Net Cost of Services	17,370	16,401	15,899	15,162	14,807
Funded by:					
Business Rates/other govt funding	3,000	4,555	4,663	4,775	4,775
NHB	4,290	1,322			
Council Tax	8,435	8,790	9,100	9,421	9,753
Other	792				
Total Resources	16,517	14,667	13,763	14,196	14,528
Gap (surplus)	853	1,734	2,136	966	279

Note: The SDC gap is funded from general fund balances, which as a consequence reduce over time.

There are some immediately common issues:

- Both councils see resources reducing over time, despite planned Council Tax increases.
- Both councils have seen large income from New Homes Bonus (NHB) in the past but this is reducing and is assumed to dry up from 2023/24 onwards.
- WDC appears to be more exposed to business rate loss, but SDC had factored in a fall in the previous year, and also assume a benefit of £950k per annum from 2022/23 as an outcome of the Spending Review and Government reform.

SDC have used NHB funding to balance their bottom line and so are more exposed to its reduction. Their presentation and assumptions exposes a stronger annual gap to be balanced than appears in the WDC figures, but both are fairly typical among similar district councils.

The Covid-19 pandemic has exposed how reliant both councils, especially SDC, are on fees and charges income such as car parking – they both face the uncertainty of when and whether patterns of usage will return and with them former income streams. Tourism and retail, and the income streams they drive, are particular risks to both, with SDC more exposed to tourism and WDC to retail.

Possibly more significantly is the impact of Government reform to the Local Government Finance system from 2022/23. Both councils are potentially at risk from a business rate reset, from a review of the Fair Funding formula and are exposed to loss of NHB. A really key issue is the level of transitional relief that the Government injects to soft land the impact of reforms, as well as the Comprehensive Spending Review, expected later this year. If, for example the loss of NHB is included in the calculation, the loss of funding will be more gradual.

There is an urgent need to create a “shadow” MTFs for the new merged council, based on a common set of assumptions and a single presentation. This will help improve understanding, focus on the need for savings, and create a new narrative for the problem based on a single view.

4. **General Fund Revenue Reserves**

In the light of the resource position outlined in section 3 above, it is not surprising that the reserve position in both councils is under pressure going forward.

Table 3

<u>General Fund and Earmarked Balances £000s</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
SDC General fund reserve at year end	8,870	5,296	7,518	6,102	3,966
SDC Earmarked GF reserves at year end	5,788	6,333	3,978	3,978	3,978
TOTAL	14,658	11,629	11,496	10,080	7,944
WDC General fund reserve at year end	3,118	1,500	1,500	1,500	1,500
WDC Earmarked GF reserves at year end	18,806	16,964	9,912	9,244	10,011
TOTAL	21,924	18,464	11,412	10,744	11,511

In SDC the General Fund reserve falls over the plan period, ending at £3.966m or 25% of predicted net budgeted spend in 2023/24. It should be noted that these balances are being used to fund the remaining gaps in the annual budget as shown in Table 2 above (so £0.966m in 2024/25, and a further £0.279m in 2025/26). The SDC general fund balance is therefore reducing over time towards its minimum agreed level of £2.5m.

In WDC the fall stems at 2020/21 and is maintained at £1.5m or 10% of predicted 2023/24 spend. Over the same period, WDC's earmarked reserves also fall.

Neither council is left in a worrying position on reserves in the short term, but these reductions are a concern to both, especially given that they will both be struggling to balance budgets over the period, and huge uncertainties remain, from Government reform and the legacy of the pandemic.

In a merger situation, both councils are left at risk from falling reserve levels in the other, with the greater risk to WDC.

5. Pensions

Both councils have similar sized pension fund deficits at c£40m. The pension deficit in SDC is a large proportion of its net worth, much larger than for WDC. Its annual deficit repayments at £494k are significantly larger than for WDC at £184k. The merged council would merge these deficits and the deficit repayments across the new council. In effect WDC would be picking up part of the SDC deficit, and the balance sheet of the merged council would reduce SDC's exposure to pension deficits and increase WDC's.

6. Savings Programmes

As discussed above, both councils have existing savings programmes built into their MTFS, and have factored in savings from any possible merger to a different degree. Current savings proposals for SDC and WDC are included as appendices three and four respectively, and are summarised in table 4 below:

Table 4:

<u>Comparison of Savings Proposals built into the MTFS</u>					
£000s	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
Stratford DC	284	792	1,338	1,800	2,050
Warwick DC	3,592	5,609	6,701	6,731	7,011
Savings as a % of 2020/21 basse budget					
Stratford DC	1.6%	4.6%	7.7%	10.4%	11.8%
Warwick DC	20.6%	32.2%	38.4%	38.6%	40.2%

It is clear that WDC has included a greater amount of savings than SDC – though it should be noted that the figure of £3.592m in 2021/22 is partly funded by a £500k underspend in 2020/21 carried forward.

WDC have incorporated more of the potential savings from a merger, and more of its savings are at a level of planning and intent rather than delivery, whereas the SDC figures tend to be lower but more grounded in detail.

This is a difference of presentation and both of these approaches are common across the sector. Table 4 needs to be compared to table 2 above, which shows the MTFS positions. The WDC MTFS is balanced across the plan period reflecting the inclusion of planned savings, the SDC MTFS shows gaps across the years but had included only much more certain savings. Taken in the round, the councils are not in such a different position as the MTFS would indicate, although SDC needs to build more savings into its programme in later years – and the merger would of course assist in this regard. WDC has more aggressive savings plan but a greater amount of reserves as a cushion. It needs to focus on delivering these savings.

As with the MTFS, it would be useful to pull together a ‘merged’ savings plan, and to establish scope for a common approach that might improve the savings position across both councils by harmonising policy – for example on fees and charges, green waste charging, leisure services and commissioning etc.

In a merger each council would be exposed to the risk of non-delivery of savings assumed by the other in the base position. However, this risk is capable of being offset by the scope for the merger to deliver savings directly, in the way already considered, and indirectly by further streamlining of policies and staffing structures in future.

Neither council is operating an MTFS or savings plan that is unusual in scale or scope to similar councils, and neither is exposed to some of the more theoretical savings that some other councils have deployed to their cost.

7. **Capital Programme - plans and borrowing**

Table 5:

<u>SDC and WDC Capital Programmes</u>					
<u>£000s</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
SDC General Fund Capital Programme	7,976	537	537	537	537
WDC General Fund Capital Programme	16,281	14,531	16,332	1,339	154

As shown in table 5 above the two councils have a very different Capital Programme, with WDC in particular running large programmes in the period running up to and just after the proposed merger. It is likely that spend will be contractually committed and irreversible by the time of the merger.

This exposes SDC to the risks of WDC overspending on projects, and to the impact of financing this programme, which will be a mixture of capital receipts, reserves and new borrowing.

WDC’s Treasury Strategy illustrates the plans to go significantly beyond the spend in its approved programme.

Table 6: WDC Capital Financing Requirement (CFR) = Need to borrow

£m	2019/20 Outturn	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital Financing Requirement					
CFR – non housing	14.8	18.8	22.6	42.2	47.6
CFR – housing	136.2	159.0	180.5	180.5	180.5
CFR - Commercial activities/ non-financial investments	5.5	70.0	73.1	76.1	74.5
Total CFR	156.4	247.8	276.3	298.9	302.6
Movement in CFR	1.4	91.3	28.5	22.6	3.8

The increase in WDC's CFR from £5.5m in 2019/20 to £70m+ in subsequent years reflects the implementation of its capital spending on housing and other activities e.g. its housing policies.

Table 6 shows the growing need for WDC to borrow to meet its capital plans. The two rows shaded yellow are the relevant ones to consider as the housing borrowing will be serviced by the HRA. The two yellow lines show WDC's external borrowing is estimated to be £122.1m by 2023/24.

New schemes include a refurbishment of leisure centres, and the commercial activities, which involve loans to a new Local Housing Company and to a Joint Venture (JV) in which it is involved. Although badged separately, in effect any problem with the servicing of this debt would hit the WDC General Fund and therefore the General Fund of the new merged council. This means that the risk currently being incurred by Warwick will fall across WDC and SDC in future. These plans have of course been subject to detailed external professional advice and due diligence, although it is beyond the scope of this report to review that. Such a review should be undertaken by SDC prior to any merger.

In contrast the SDC Treasury Management Strategy does continue to predict the council will be debt free, although permissions are in place to borrow up to £20m should the need arise.

Both councils are looking to join a Joint Venture with a number of other councils to create a Mixed Recycling Facility based in Coventry. This will require capital spend and borrowing, but as both councils are involved they are sighted on the risks and returns.

8. Potential financial liabilities

Both monitoring officers were interviewed to identify any exposure to legal or contractual claims that could have a significant impact on the financial position. The only issue that emerged is in relation to the winding up of a JV between WDC and a third party that had intended to relocate its current offices to a development at Covent Garden, Leamington. This project has stalled and the JV needs to be wound down. A settlement capping WDC's liability at an acceptable level has now been agreed.

Both councils have potential financial issues arising from the need for a major overhaul to concrete multi storey car parks. The car parks concerned are Covent Garden and Linen Street in WDC and Windsor Street in SDC. In practice it would make sense to look at regeneration options on each of these sites, rather than expending significant sums to repair

car parks which may not be needed in their current form and/or could be re-provided as part of a redevelopment. Overall, these represent potential opportunities as much as threats.

No other major issues were identified from either council, including any major insurance, contractual or employment tribunal claims.

9. Procurement Issues

Procurement officers in both authorities were interviewed to highlight any key risks or issues. While nothing major emerged, it is clear that procurement policy and practice is significantly better developed in WDC than SDC. There is clear scope to use the merger to spread better practice across the new merged council and use procurement to promote strategic priorities. The procurement officers are already working closely together and building on this can only be of benefit, by harnessing the combined purchasing power, establishing contracts that can be use by both (and other) authorities and ensuring compliance with procedures. These benefits should drive further savings, many of which can be accessed with or without the merger.

10. CIPFA Resilience Index

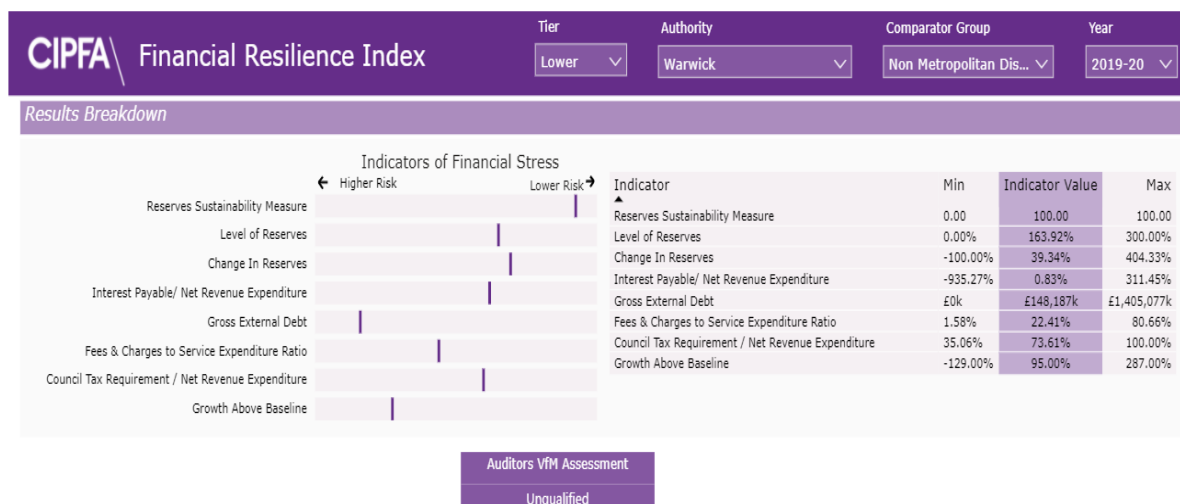
CIPFA produce an annual Resilience Index which looks at the risks facing councils across a number of headings. Such indices are limited, because of weaknesses in the data, the fact they are based on the past not the future, and because councils vary so much in how they manage and present their finances.

Despite this it is worth summarising the latest 2021 Index for WDC and SDC, using its comparison to other English districts using 2019/20 data.

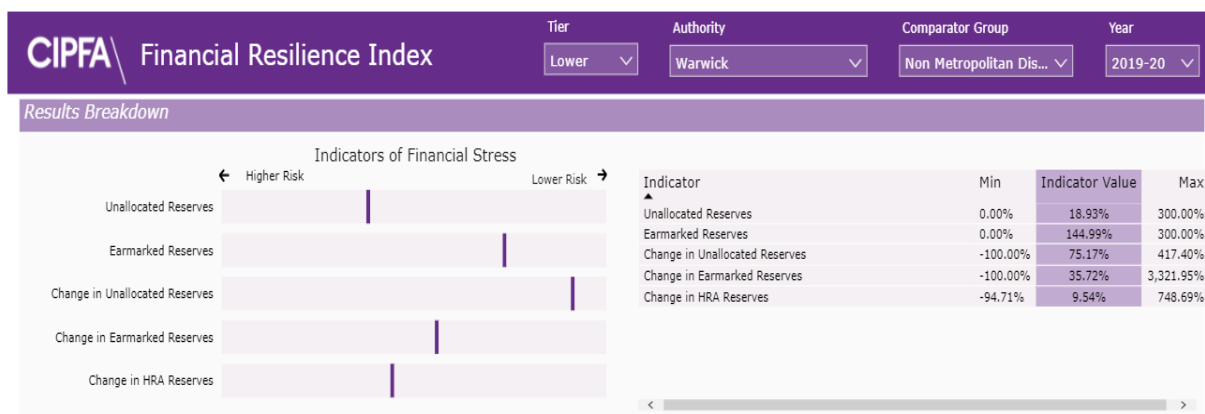
In the Index report, the vertical lines on the bar chart show the relative risk in the council on a ranged of indicators. The closer the line to the left hand edge of the graph, the higher the risk in that council.

Warwick DC.

Resilience Index 2021



Resilience Index 2021



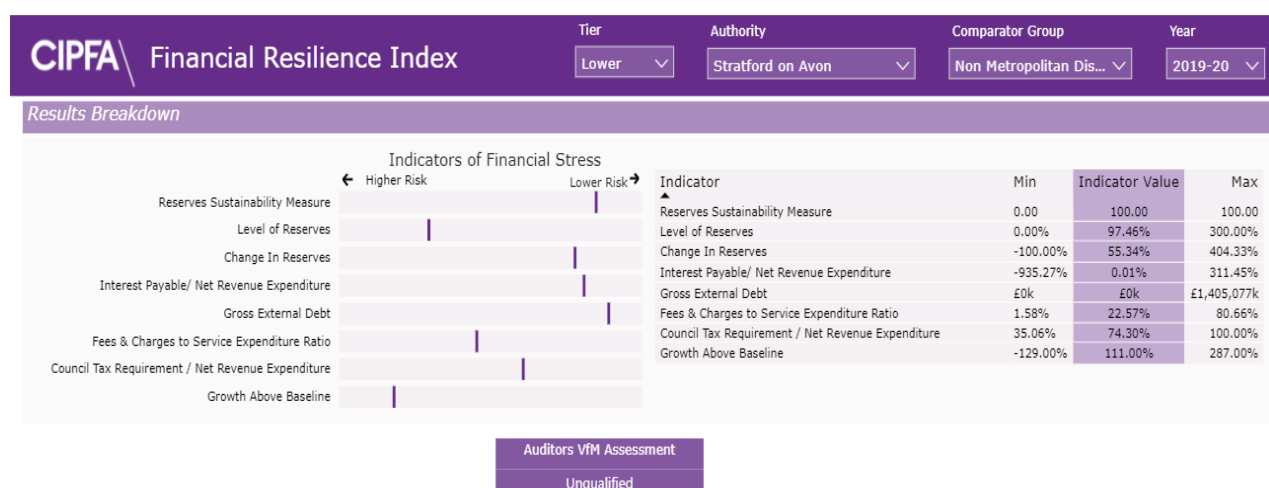
The results above are for WDC. It can be seen that none of its scores are very high risk (i.e. very close to the left hand side). It has high risk on gross external debt, but not to a level that causes concern, given the number of debt free district councils.

The other slightly high risk is Growth Above Baseline which reflects the exposure to the council of a Business Rate reset, because it has kept and built in growth since the original baseline in 2013.

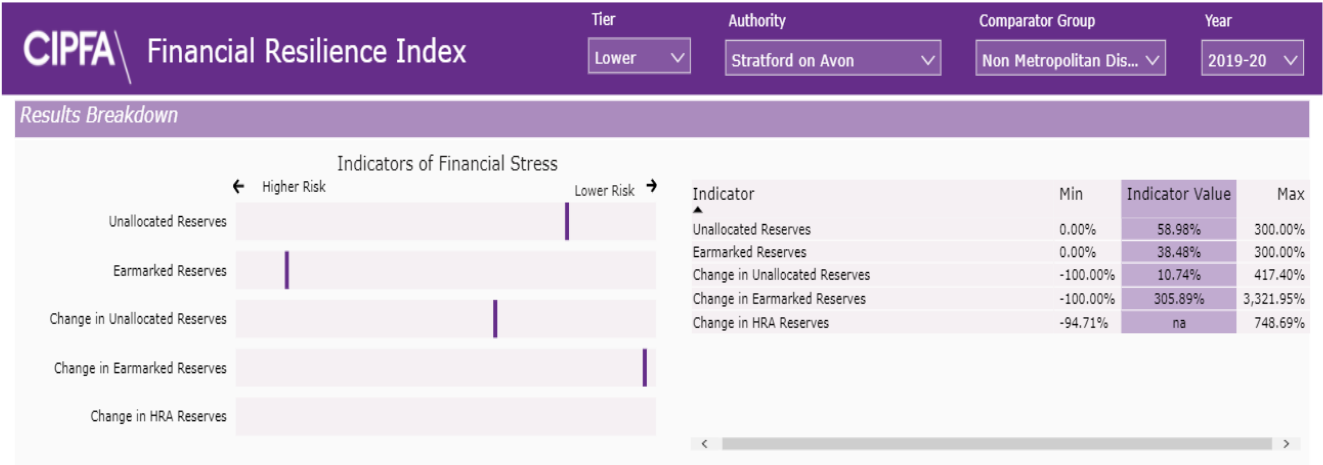
Stratford DC

The results for SDC are below:

Resilience Index 2021



Resilience Index 2021



The risks flagged for SDC are low levels of reserves and to a lesser degree growth above baseline funding and exposure to fees and charges income.

There are no really high risks flagged for either council, and the issues raised in the CIPFA analysis broadly accord with the conclusions reached independently in this report.

11. External Audit reports for 2019/20

The councils have different External Auditors, SDC has Ernst Young and WDC Grant Thornton.

I have reviewed the latest audits available - for the year 2019/20.

Overall WDC receives an unqualified audit report:

Based on the work completed we have concluded that the Council has adequate arrangements in place to deliver financial sustainability.

There is also a positive Value for Money judgement but with the following residual risk flagged:

Given the in-year challenges and those anticipated looking forward we have identified a residual VFM risk in respect of planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

There is an emphasis of matter based on uncertainty to property and pension fund valuations arising from the pandemic – such issues will appear in many council audits.

SDC also received an unqualified opinion and a positive value for money judgement, with the auditors also raising issues about future financial challenges and valuation issues arising from Covid-19.

12. Comparison of Strategic Risk Registers

Both SDC and WDC prepare strategic risk registers, but like MTFS's these are notoriously difficult to compare between councils because of variations in presentation, risk appetite and judgements about level and impact of risks.

As an example, although both councils use a matrix of likelihood vs impact to measure risk, SDC use a 4 x 4 approach (so likelihood multiplied by impact gives a score of up to 16), and WDC a 5 x 5 approach (so scores out of 25).

Appendix 2 compares the strategic risks identified by the two councils. The risk score is shown as a percentage to standardise the scoring, and those risks scored red by the councils are in red text for ease of reference.

SDC has four red rated risks, with Financial Sustainability at 100% - by far its major risk. WDC has only one red rated risk which is its ability to deliver on its climate change agenda. None of its financial risks, including savings delivery score above 50%.

While this comparison is inevitably crude and flawed, it does suggest that SDC's own perception places financial risks significantly higher than does WDC's self-perception.

As with the MTFS, it is suggested that a risk register for the new merged council be produced as soon as possible to inform the process, and to consider how it will address the risks currently identified by SDC and WDC.

13. Governance

The review did not identify any governance issues in relation to finance that should present a problem to the proposed merger. More generally, the merger will inevitably present governance challenges as members and senior officers adjust their thinking and strategies to the new basis.

SDC have already adopted the LGA's Member Code of Conduct and WDC intend to do this - this can only assist in converging the two councils.

14. Conclusions

SDC and WDC are similar councils in many respects. There is a logic in them contemplating merger to achieve economies of scale and better resilience going forward. Nothing has emerged from this exercise to fundamentally challenge that concept.

Councils always have their own specific characteristics and a merger of two exactly identical or equal partners is highly unlikely. Each will bring a variety of strengths and some weaknesses to the table.

Key issues for Warwick District Council:

In summary, merging with SDC exposes Warwick District Council to:

- SDC's lower level of reserves
- SDC's higher exposure to pension deficit

- SDC's delivery of its saving programme, albeit this is lower risk than the WDC savings plan.
- SDC's underdeveloped approach to procurement management.
- Counterbalancing this is the fact that SDC is debt free and going forward will incur low levels of debt, and exposure to debt repayments.
- A merger would also give SDC access to an HRA and a wider variety of housing solutions than it currently has, without impact on its General Fund.

Key issues for Stratford District Council:

- Merging with WDC would expose SDC to the risks arising from WDC's more extensive planned capital programme and levels of debt, particularly as it enters the field of more commercial investments via its housing strategies.
- SDC would be exposed to delivery on WDC's more aggressive incorporation of savings plans into its MTFS.
- A merger would also give SDC access to an HRA and a wider variety of housing solutions than it currently has, without impact on its General Fund.

These issues do not outweigh the benefits flagged by Deloitte of exploring a merger. The key blockages to a merger are less likely to be financial (other than the Council Tax convergence) and more likely to be related to overcoming cultural and behavioural barriers from members and officers who do not buy-in to the concept of merger, or have serious concerns.

15. Recommendations

- 15.1 The two councils should produce a merged "shadow" MTFS as soon as possible for the new merged council, to get a clearer view of how resilience will be created compared to the current position.
- 15.2 The councils should produce a "shadow" merged risk register for the proposed new council, that draws on the existing risk registers and focuses agreement and action on the matters that will need to be dealt with going forward.
- 15.3 The councils should produce a shadow merged savings plan, so that policies, ideas and approaches can be put on a common basis and maximum savings potential delivered.

Stratford-on-Avon DC and Warwick DC Financial Disclosure review

Contents

1. Introduction and context
 2. Outcomes
 3. Method
 4. Next steps
-

1. Introduction and context

The LGA has been asked to support Stratford-on-Avon DC and Warwick DC by providing independent financial analysis and assurance as part of their planned steps towards exploring a merger of the authorities.

The leaders of both councils have previously expressed an interest in the districts working together and in June 2020 issued a joint statement outlining their commitment to this. Since then the councils have embarked on a programme which has so far:

- Created 5 joint heads of service, and will agree a proposal for a further 6 meaning the whole management team will be shared across the councils;
- will jointly re-procure the next refuse contract;
- and develop a Local Plan covering South Warwickshire which will produce financial savings and guide future development across both districts.

Deloitte have been commissioned twice to produce reports looking at governance issues which impact on both districts. The initial report in 2020 looked at a two unitary council model for Warwickshire, recommending North Warwickshire (Rugby, North Warwickshire and Nuneaton & Bedworth) and South Warwickshire (Warwick and Stratford-on-Avon). The second report examined the business case for bringing the two South Warwickshire districts together horizontally – in a similar way to Somerset West and Taunton Council.

Covid-19 has had an impact on both districts and in 20/21 Stratford estimates the financial impact to be a shortfall of £2.5m after all grants (25% of net budget) and in the medium term projects an impact of £7.5m. Warwick have different financial issues but estimate a deficit of around £1m per year. The councils jointly require £4m of recurring savings to be viable in the longer term. The second Deloitte report outlined how merging the districts would lead to: shared service gains; governance savings; and a single set of accounts and policies. Recently, the proposal to look at this merger in more detail was agreed.

To support the potential merger the councils have asked the LGA to undertake an exercise of financial assurance. This will enable the councils to improve understanding of their separate financial exposure and any risks from a future merger. It will also assist elected members to gain assurance in an open and transparent way about any risks or liabilities which need to be managed. It will clearly aid the discussions of bringing the two authorities together. The exercise will be completed ahead of any formal submission to Government, alongside consultation and the development of a business case.

2. Outcomes

This review will provide clear, independent guidance and assurance to both sets of elected members, highlighting any aspects which may need to be managed ahead of the proposed merger.

3. Method

This work is being delivered virtually through the LGA and led by Chris West as a Finance Improvement and Sustainability Associate (FISA).

A range of background information will be reviewed alongside discussions with officers of both councils prior to a report and feedback being provided to members. The LGA will ask the councils to make relevant documents available and MS Teams will be used to hold discussions with key individuals at both councils.

Further to the agreement of this project scope, following discussion at joint Cabinet and Executive on 15th March, and confirmation from the Chief Executives that the LGA may approach colleagues about this review, the LGA will undertake next steps, as below:

Early April

Relevant background reading made available to the LGA. This will include financial papers such as: budget monitoring statements, statement of accounts, MTFP, audit reports, pension fund valuation, contracts and outstanding major legal cases.

The LGA will organise MS Teams discussions with key individuals to take place during April. This will include but not necessarily be limited to:

- Monitoring Officers - to establish any relevant outstanding legal cases or other governance issues.
- s151 Officer - to understand how the budgets are built, reliance on New Homes Bonus and other grants, council tax levels, tax base. The councils now have a single s151 Officer but Stratford's interim s151 is in post until the end of March so will be engaged as part of this process.
- Procurement Officers – to review contractual commitments and any outstanding legal issues.

End of April

Discussion with Chief Executives, towards the end of April to review emerging findings.

A written report will be produced which details the findings. This will be drafted for a councillor audience and it is anticipated that it will be published as part of the merger process. This report will include:

- The findings from the Financial Disclosure exercise, highlighting outstanding issues and financial risks. Including a high level summary of each council's budget, spending commitments, savings targets, short and long term commitments and the implications of council tax harmonisation.

- The findings from the financial governance element of this review, including management of governance processes, audit committee and risk registers.

Tbc – May onwards

Following the completion of the report, member briefing sessions for Stratford and Warwick district councillors will provide an opportunity for further discussion of the findings.

4. Next steps

If the councils are happy with this proposal the review can commence in early April and with a written report available by the end of April /early May 2021.

APPENDIX TWO

Comparison of Residual Risks in Strategic Risk Registers

Residual risk expressed as a percentage to standardise approach

<u>Stratford identified Risk</u>	<u>%</u>	<u>Warwick Identified Risk</u>	<u>%</u>
Financial Sustainability	100	Fit for the Future Change Programme not managed appropriately/effectively	48
Demand on the welfare system combined with planned reductions/budget pressures in social care, health and community safety provision by other agencies impact on the most vulnerable members of the Community.	56	Risk of sustained service quality reduction	48
Unable to optimise economic growth in the District	75	Risk of major contractor going into administration or deciding to withdraw from the contract.	40
Inability to progress the Core Strategy review and future updates which meet statutory targets and assessed infrastructure needs, including affordable housing.	75	Risk of corporate governance arrangements not maintained effectively	25
Safeguarding Children and Vulnerable Adults - inability to take action to avoid abuse, injury or death.	50	Risk of staff not developed effectively	48
Inability to respond to an Emergency facing our communities	50	Risk of insufficient finance to enable the council to meet its objectives (including insufficient reduction in operational costs).	48
Inability to maintain services following an event	38	Risk of additional financial liabilities.	48
Failure to meet the Health & Wellbeing needs of residents	56	Risk of not obtaining potential income sources.	48
Gaps in statutory compliance and/or operational weaknesses in Information Governance	25	Risk of improper procurement practices and legislative requirements not being complied with	36
Delays fully implementing a new Land Charges system and implementing required changes	75	Risk of partnerships not delivering stated objectives	32
EUEXIT – managing uncertainty about impact and outcomes	50	Risk of not complying with key legislation or legal requirements, including failure to protect data.	32
Covid response & recovery	75	Risk of ineffective utilisation of information and communications technology.	24
Local Government Reorganisation	56	Risk of failure to protect information assets from malicious cyber-attack.	48

<u>Stratford identified Risk</u>		<u>Warwick Identified Risk</u>	
		Risk of a major incident not responded to effectively.	40
		Failure to meet District's ambition to be carbon neutral within specified timeframes	80

To: Chris Elliot, WDC
David Buckland, SDC

Cc: Helen Murray and James Millington, LGA
Mike Snow, Joint S151 Officer

From: Chris West, FCPFA

1st November, 2021.

Stratford-on-Avon DC and Warwick DC The Financial Impact of a Constitutional Merger

1. Scope of this report

This report has been produced to the brief included at Appendix A and is designed to provide financial information to feed into the decision making surrounding the proposed merger of Stratford-on-Avon District Council (SDC) and Warwick District Councils (WDC).

The previously commissioned Deloitte report 'Warwick District Council and Stratford-on-Avon District Council: Creating a South Warwickshire Council' incorporated savings associated with the political merger in a very generalised way. So, to support the development of the business case for a full merger the councils have asked that the LGA undertake a review to:

- Assess what financial benefits were achieved by other district council mergers, over and above operational elements such as staff / service integration
- Outline how this could apply to the Stratford and Warwick position as part of a business case proposal to create a new South Warwickshire Council

The report has been based on a review of financial information provided by the councils involved, and on interviews with some key officers, including the joint S151 Officer and Monitoring Officer of SDC/WDC. Reference has also been made to data published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Association (LGA). It has been produced in a short period during August to October 2021 and is necessarily constrained by the resource available to input into it. The report is not intended to amount to a due diligence process nor itself be adequate as the basis for any final decision on a merger. It is designed to promote understanding and thinking across the two councils.

2. Overall Findings.

- 2.1 The Deloitte Report did include a high level estimate of the additional savings of a full constitutional merger. Excluding savings from rationalising the head of democratic services/monitoring officer, savings of £224k per annum following full implementation were suggested by Deloitte.

- 2.2 This order of magnitude is in line with that experienced in other merging authorities of a similar size, although definitional issues and varying approaches make comparisons complex.
- 2.3 The key driver is the number of elected Members and this is not within the control of the merging Councils and so caution is needed.
- 2.4 The non-financial and non-cashable benefits of a full merger are potentially as significant or more significant than the financial ones, and will also enable financial savings to be maximised.
- 2.5 There are a range of risks that need to be managed, as with any major undertaking.
- 2.6 The Councils need to develop a clear implementation programme that includes specific proposals for the delivery of change programmes and associated savings, and strong governance arrangements to monitor the delivery of financial and non-financial outcomes. This will move the level of savings indicated by Deloitte as being potentially available, into a plan to deliver more granular proposals, of which the full constitutional merger will be one.

3. The Deloitte Report.

Appendix B provides some extracts from the Deloitte report. It estimated that the net recurrent savings deliverable by merger were £4.338m once implementation was completed. This is summarised in the Table reproduced below:

	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)

This Table uses the top end of the range of savings that Deloitte predicted. This top end of the range included savings from a full constitutional merger:

Overall a full merger has greater potential to achieve both financial and non-financial benefits that result from economies of scale and a stronger strategic voice.

Specifically, it is clear that the Deloitte report did take account of savings from a democratic merger, because the basis of the £172k “Democratic Savings” line (third from bottom in the Table above) is the estimated savings from reducing the number of Members from the existing total of 80 to a new assumed total of 59 (based on the experience in East Suffolk).

In addition, the “Service Optimisation” line in the report includes some £52k savings from the “Democratic core” based on the Deloitte methodology. This makes a total saving of £224k per annum from a constitutional merger.

Over and above this the Management Team savings incorporate the reduction from two Monitoring Officers to one joint post. The size of the saving cannot be separately extracted, and in most merger business cases the management team savings are treated separately as they are in the Deloitte report so this has been excluded from further specific consideration in this report.

The approach commissioned from and taken by Deloitte was a high level business case for the proposed merger. The report is clear that further detailed work will be required to inform any final decision and subsequent implementation.

The largest area of savings identified was Service Optimisation - £3.782m per annum ongoing in the Table above. The methodology to identify this was to analyse the net expenditure per head across a range of services provided by both Councils, and to assess the scope to reduce it to the lower of the two, or the average of the two. These data were then moderated using both local input and knowledge from SDC/WDC and from Deloitte's wider knowledge and experience.

This approach gives a reasonable estimate of the savings potentially available. However, the output is at a general level, with little specificity as to what is included. For example one element is finance savings estimated at £353k per annum. There is no breakdown of this and no way of splitting it between the benefits from a merger and the further benefits from becoming one authority, and which therefore are "over and above operational elements such as staff / service integration."

A specific example would be the cost of external audit. There would be a saving in a merged authority as only one audit would be needed, and it would be reasonable to assume it would be broadly equivalent to the cost in each authority currently, or at least the higher of the two. This saving is one that is normally identified as a separate saving deriving from a full merger, but is subsumed in the Deloitte analysis in a single summary line on finance.

It is not therefore possible to produce a comprehensive figure from the Deloitte report for the savings from a full merger, although the analysis below attempts to estimate it for comparative purposes.

4. Comparator Authorities.

The potential position for an SDC/WDC full merger has been contextualised by information from other authorities. These are:

- East Suffolk (formerly Suffolk Coastal and Waveney), where interviews have been held with senior officers, and the business case has been reviewed
- Suffolk West (formerly Forest Heath & St Edmundsbury) where interviews have been held with senior officers, and the business case has been reviewed
- Somerset West & Taunton (formerly Taunton Dean & W Somerset) where information from the business case has been reviewed, but no interviews held.

In addition, discussions have been held with South Oxfordshire and Vale of White Horse Councils. These councils have been sharing services for many years and have potentially

the best developed arrangements for working together and driving savings. At this stage they have not decided to take the final step of full constitutional merger. This position provides an interesting counterpoint to the others and gives a particular focus for the brief of this report.

Comparisons are hard because these authorities were already on a journey of working together and some had gone further and harvested more benefits at the point at which they assessed a full constitutional merger. The starting point is therefore different in each case.

The Table below gives some headline data for these Councils to give some idea how they compare to SDC/WDC.

Comparative Data For Authorities Discussed.					
Authority	2019/20 Net Revenue Expend budget £m	Population ONS 2018 prediction for 2020	Members: Electors ratio 1:	Number of Members	FTE staff numbers (Jan - Mar 2021)
Stratford as is	16.27	131,536	2,905	36	275
Warwick as is	16.77	144,062	2,565	44	465
Stratford/Warwick if merged (Member numbers per Deloitte report)	33.04	275,598	3,685	59	740
Stratford/Warwick if merged (Member numbers as now)	33.04	275,598	2,718	80	740
Recently Merged					
East Suffolk (formerly Suffolk Coastal and Waveney)	40.34	258,100	3,537	55	768
Suffolk West (formerly Forest Heath & St Edmundsbury)	20.2	180,446	1,984	64	673
Somerset West & Taunton (formerly Taunton Dean & W Somerset)	13.28	157,258	1,997	59	540
Currently closely aligned					
South Oxfordshire	17.16	141,881	3,070	36	N/A*
Vale of White Horse	13.72	138,299	2,715	38	N/A*
TOTAL South Oxfordshire/Vale of White Horse	30.88	280,180	2,888	74	426
*The authorities have been aligned for so long that a split of staffing between the two would not be meaningful					

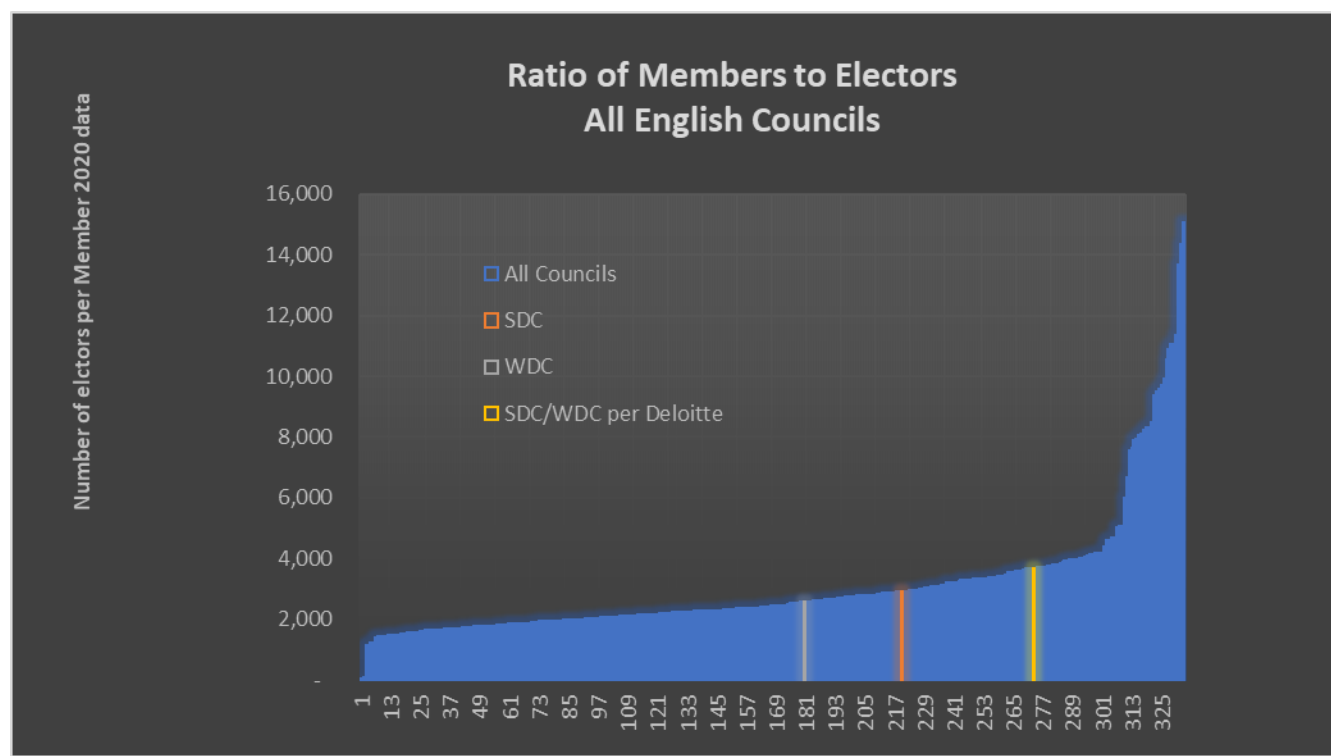
5. The Financial Benefits of Full Merger: Cost of Members.

The biggest additional cashable saving from a constitutional merger of two Councils is related to the potential reduction in the number of members and number of meetings. However, the savings that may be deliverable are not within the control of the merging Councils. The number of Councillors in a new merged Council would be a matter for the Boundary Commission, and the level of members allowances would be the subject of an independent review body, with an increase in allowances reflecting a bigger Council, being a reasonable assumption.

Other Councils that have merged and reduced the number of Councillors have also set up other informal forums of community consultation to help combat any perceived reduction in the local voice, and helped consolidate public support for the merger. This would impact any savings made.

The key data driving the number of members in a Council is the ratio of members to electors. The Graph below shows this data for all English Councils, ranked lowest to highest ratio.

The spike on the right hand side of the graph consists of upper tier authorities (Counties, Mets, Unitaries and London Boroughs) which tend to have higher ratios.



The ratios for District Councils run from 1:1124 (Rutland) to 1:3537.

The current ratios are shown on the graph and are 1:2905 for SDC and 1:2565 for WDC. The figure for SDC is sufficiently high to have attracted interest from the Boundary Commission, who are currently reviewing the position to reduce the ratio, which will in practice be larger than that quoted above because of recent housing developments. They are considering a number of 41 for SDC which on the 2020 data would reduce the ratio to 1:2550, broadly similar to WDC. Both authorities and the Boundary Commission are aware of the wider context of the possible merger and that this current review may not be completed or implemented.

As outlined above the Deloitte report assumed a figure of 59 Members for the merged authority, a reduction from the current joint total of 80. This would result in a ratio of 1:3685, and is also shown on the graph above.

Such a ratio would make the new authority an outlier among districts, and is much higher than the recent level in SDC which had prompted concerns from the Boundary Commission. It would be the highest District ratio.

My understanding is that the numbers were based on the recent merger to create East Suffolk. This is the next highest ratio at 1:3537, which demonstrates that the Boundary Commission may be prepared to consider a ratio this high. Other recent mergers have not seen such high ratios.

Recently Merged Councils	New ratio
East Suffolk (formerly Suffolk Coastal and Waveney)	1:3537

Suffolk West (formerly Forest Heath & St Edmundsbury)	1:1984
Somerset West & Taunton (formerly Taunton Deane & W Somerset)	1:1997

The tentative conclusion from this is that the savings from constitutional merger included in the Deloitte report as a result of reducing Member numbers are probably at the top end of the likely range. The actual ultimate number of Members and therefore the costs may be higher, and that process is not in the control of SDC/WDC.

6. Comparative Financial Savings from Constitutional Mergers.

Each of the Councils involved in a full merger has taken a different approach to estimating possible savings, and therefore the Business Cases have different levels of detail in them. As discussed above, the approach taken by Deloitte, at an earlier stage than Final Business Case, was a high level one with little detail.

There are also definitional differences – for example in some cases the need to publish just one set of accounts may be counted as a finance saving, in others as a constitutional saving.

The Table below pulls together the fullest possible details from the various business cases for the Councils considered:

<u>Savings Area - eventual full year saving £000s</u>	<u>Taunton Deane/W Somerset</u>	<u>Suffolk Coastal/Waveney</u>	<u>Forest Heath/St Edmundsbury</u>	<u>Stratford and Warwick</u>
All Out elections over 4 years	25			N/A
Members Allowances	113			172
Reduced Corporate Subscriptions	6		35	
Reduced support to Leader/Chair	25			
Reduced democratic support	25			
Notional saving for 1 building HQ	60			
Financial Services staffing	46			
External Audit	39		30	79
Internal Audit	39		35	
Banking fees (1 account)	45			
Reduced cost of Local Plan Process	33		20	
Reduced IT Subscriptions	85		25	
Reduced travel budget	10			
Insurance			30	
Procurement			25	
Non specific democratic		115		52
Other corporate		101	100	
TOTAL	551	216	300	303
Saving per head of Population £	3.50	0.84	1.66	1.10

For WDC/SDC I have taken the savings from the Deloitte report, and added in the cost of external audit, because that was separately identifiable from data provided. Some of the lines above, not currently identified for SDC/WDC, could also be completed to get a fuller

picture of constitutional savings, although the risk of double counting exists because of the Deloitte methodology. It may be particularly pertinent to consider:

- Internal Audit
- Banking fees (1 account)
- Reduced cost of Local Plan Process
- Reduced IT Subscriptions
- Reduced other corporate subscriptions

Overall, the figure of £303k for WDC/SDC is in the same order of magnitude as the other Councils. As discussed in Section 4 above, the Member related savings from Deloitte may be at the top end of the range, but there are other savings that would compensate if added in.

South Oxfordshire and Vale of White Horse Council have made a high level estimate of the additional savings they could make from a full constitutional merger which they estimate in the range of £200-400k, which is consistent with this overall picture.

The most detailed figures for Taunton Deane and West Somerset include lines (e.g. notional savings for one building HQ, £60k) which in other business cases will be covered in another section, and in any case could relate to wider services and spending heads than just constitutional ones. This partly explains why their figures are larger.

This magnitude of savings is useful in itself, but must be seen in the wider context of the savings from a merger, which are significantly higher. They represent an additional layer of cost saving only available from a full merger. As the Deloitte report highlights, a full constitutional merger is also likely to maximise other savings, as well as delivering this additional layer.

The savings arising from a full merger should, once the number of Members and their allowances are determined, be relatively straightforward to estimate, to deliver and to monitor. This will be in contrast to other service areas where a greater degree of judgement is likely to be needed. Other authorities reported a strong record of delivering the additional savings from full merger.

In all the Councils we talked to the non-financial issues or non-cashable efficiencies were also as important as the pure cost savings in driving a merger. These are explored in Section 6 below.

7. The Non-Financial/Non-Cashable Case for Constitutional Merger.

The case for a constitutional merger will also hinge on non-financial benefits, and non-cashable benefits – that is factors which are likely to lead to savings or cost avoidance, but which cannot be quantified and built into budgets.

The Deloitte report clearly and fully highlighted the non-financial benefits from a full constitutional merger, and these are summarised below:

- *Only a merger could deliver the financial benefit from the democratic savings from, for example, reducing the number of Members. There are also likely to be further financial benefits from removing duplication through merging, including*

holding one Council meeting, producing one set of financial accounts and one budget, incurring one set of audit fees and holding one bank account.

- A full merger provides a greater likelihood of more savings being achieved from transforming services. It creates a greater cultural shift by creating one organisation, removing some of the politics around identifying which organisation benefits from savings under a shared service arrangement. The vision for the future can be simpler and more joined up, allowing greater impetus and greater delivery of savings.*
- It fits with Government policy and thinking in terms of local government operating at greater scale;*
- A super-district would have a stronger strategic voice with stakeholders, be more able more easily to enter into partnership arrangements with other organisations, benefit from increased capacity and resilience with a larger pool of resources in all functional areas, deliver improved customer experience by delivering greater consistency of approach, particularly for customers operating across both districts, and be a more effective employer by creating a structure that offers more career opportunities and greater appeal in the jobs market;*
- It could support local government in South Warwickshire to deal with the significant economic and financial challenges it faces, ensuring that local government can continue to deliver or improve services for local communities;*
- A super-district may be better placed to deal with some of the significant strategic issues facing South Warwickshire including housing or climate change, and*
- It builds on the current similarities and significant collaboration between the two organisations.*

[sourced from the Deloitte Report]

In addition to these points, others, often overlapping, were added by the various individuals who input to this report:

- A merged Council would have greater resilience than the two smaller Councils. Risks can be managed across a larger area and a stronger financial base.
- A larger Council is in a better position to recruit, retain and develop key staff, who are essential to the future of the Council.
- It can provide more clearly focused and effective services for the public. There is an opportunity to rethink and rebrand services, taking the best from each authority or nationally.
- A stronger voice, specifically with the County, the LEP, the Department for Levelling Up, Housing and Communities and the WM Combined Authority than the two Councils separately.
- Two Councils working in a close shared services partnership are both vulnerable to the other party pulling out of the arrangements. The cost of “divorce,” financially, reputationally and in service delivery terms would be significant for both. (A recent example of this is the breakdown of the Police Partnership between the Warwickshire and West Mercia forces). A full constitutional merger removes this risk.

8. Other Issues arising.

In compiling this report, a number of other issues emerged that are worthy of consideration when assembling the final business case proposal for the creation of a South Warwickshire Council, even if only to dismiss them or plan for them.

a. Towards pleasure, not just away from pain.

All the Councils embarking on mergers have had a range of motives, always including a desire to save money and protect services. It is important that there is a strong rationale that lays out clearly the wide benefits of merger (towards pleasure) and does not focus entirely on the need to avoid financial pressures (away from pain).

This was the case for example in Taunton Deane and West Somerset, where the latter, one of the smallest Councils in England was in major financial problems because its Business Rate base had been undermined by a successful rating appeal on Hinkley Point Power Station, which accounted for a very large share of its business rates. It was important that the Business Case covered the full range of benefits and was not seen as a reaction just to the financial problems in one of the Councils.

b. Not a Panacea.

While a merger can create a wide range of benefits as outlined in this report, it will not solve all of the problems in the authorities. It is important to keep the benefits and risks in perspective as the process moves forward, and continue to plan for other issues that will need to be dealt with both by the existing Councils and/or the new Council.

c. The cultural conundrum.

One major challenge facing all mergers is to create a single coherent culture in the new organisation, the underpins service transformation and change. In particular, it is important to avoid the public and the staff body seeing the process as a “take over” of one Council by another – this will create resentment and negativity that will hamper the new merged Council. Strong positive communications are key.

d. Communications.

Strong and persistent communications to all stakeholders, especially elected Members, staff and the public are a prerequisite for success. This should cover why a merger is proposed and the benefits it will deliver.

e. Strong Political Management.

It is important to display strong and clear political leadership towards the achievement of a goal shared by both of the two Councils involved in the merger. The Leadership of both Councils will need to invest significant time and energy to making the merger happen, and

developing and maintaining political support to delivery, ideally across all parties. Frequent joint briefings to all Councillors will help to maintain focus and high levels of consensus.

There also needs to be clear arrangements in place for Members to hold officers accountable for delivery of the key milestones in the process, while leaving the operational details to senior management.

f. Implementation

Implementing an effective new merged Council is a complex task. The Deloitte report spelled out clearly the need for strong and coherent transformation and programme management, and this is reflected in all the conversations had in compiling this report.

Given the financial focus of this report there are two specific points to be emphasised:

- i) The Deloitte Report has created a sound strategic case, but the financial savings that it has exemplified need to be underpinned by clear well thought out programmes of work, which have rational and granular financial savings targets based on more detailed analysis of exactly how savings will be delivered. The savings will not simply emerge as the process works through.
- ii) Following on from this, the transformation and programme governance arrangements need to have a ruthless focus on financial benefit delivery that is monitored closely.

SDC and WDC have made a start on this process, but the July 2021 Cabinet reports do not contain much detail and programme management and political oversight of the processes.

g. The Distraction Risk

There are clear examples in other Councils undergoing mergers where the process has become all consuming and some major underlying issues have become exacerbated by lack of attention. This risk is increased because merger inevitably sucks in a lot of Member and Senior Manager time and attention, and because often key members of staff exit the organisations as part of the process, leaving major gaps. In some cases this has caused major service and financial issues which can only be resolved in the long term.

h. Alternative view where only some Councils merge

An alternative view about some of the benefits of merger has been expressed in relation to areas (like Warwickshire) where only some of the Councils merge. The merging Councils may have a lesser combined influence as one new Council that they had as two – for example if an issue goes to a vote of authorities, or in a consultation response. This may be a particular issue if the two Councils are in close political alignment, and would have cast two votes or expressed two views in the same way, where now they only have one opportunity between them.

Appendix One – Brief

Joint Commission for Stratford-on-Avon DC and Warwick DC and South Oxfordshire and Vale of White Horse Councils

The Financial Impact of a Constitutional Merger Review

Contents

1. Introduction and context
2. Outcomes
3. Method
4. Next steps

1. Introduction and context

Stratford-on-Avon and Warwick district councils have agreed the following vision statement:

“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 Councils by 1 April 2024.”

The councils are on a path of joint working, sharing of services and senior management teams and have political agreement to continue progress this agenda. So far there has been progress on joint procurement, a joint Local Plan and the merging of the senior management team across the two councils - from 2nd August 2021 a single shared management team will be in place.

If the council wished to make a formal application to fully merge, estimates are that it would take around 18 months to progress from submission of proposals by the councils until the order is approved. In addition to the parliamentary process there would need to be a full electoral review undertaken of South Warwickshire, ahead of the new authority being established. If regulations were progressing through Parliament then the scheduled elections planned for May 2023 would not take place, and the next elections would be held in the South Warwickshire District in 2024.

To fully merge it would be necessary for the councils to make formal submissions before the end of 2021, and preparations for any formal submission completed in the next 6 months, including business case development and consultation. As this decision would be reserved for Council, it would be necessary for each authority to plan for such a meeting during December 2021.

The [Deloitte report](#) ‘Warwick District Council and Stratford-on-Avon District Council Creating a South Warwickshire Council’ only incorporated savings associated with the political merger in a very generalised way. So, to support the development of the business case for a full merger the councils have asked that the LGA undertake a review to:

- Assess what financial benefits were achieved by other district council mergers, over and above operational elements such as staff / service integration
- Outline how this could apply to the Stratford and Warwick position as part of a business case proposal to create a new South Warwickshire Council

Stratford and Warwick have already held discussions with colleagues in South Oxfordshire and the Vale of White Horse, as they have fully integrated their officer side, to explore the financial benefits of this. This commission will therefore provide an opportunity for the two sets of authorities in the WM and SE to further explore the potential financial savings of merging, and to share experiences.

2. Outcomes

For Stratford and Warwick: to provide anticipated financial benefits of a constitutional merger of the councils which can be incorporated into the business case.

For South Oxfordshire and the Vale of White Horse: to compare and contrast potential savings with the WM authorities to help inform their future plans.

3. Method

This review will be delivered virtually through the LGA and led by Chris West as a Finance Improvement and Sustainability Associate (FISA), during August and September 2021. An LGA Conservative member peer will be identified as a sounding board for this work to ensure all the political savings have been captured as part of this project.

A range of background information will be reviewed alongside some discussions with officers (including s151, Monitoring Officer and the Joint Transformation Programme Manager) prior to a single report being produced to set out the findings for both sets of authorities. The LGA will ask the councils to make relevant documents and information available and MS Teams will be used to hold discussions with any individuals.

Chris West will review the financial savings and opportunities in the potential political merger of Stratford-on-Avon and Warwick. To understand the potential benefits of a full political merger the review will also incorporate a review of recent full council mergers, regarding the anticipated financial benefits and those realised, from:

- East Suffolk (merging Suffolk Coastal and Waveney)
- West Suffolk (merging Forest Heath and St Edmundsbury)
- Somerset West and Taunton (merging Taunton Deane and West Somerset)

Alongside this, Chris will work to identify existing merger information available at South Oxfordshire and the Vale of White Horse councils, to provide a more rounded analysis. This will include understanding the savings already delivered through integration of service with one policy direction and how much further these savings might go.

The review will quantify the potential financial impact of a political merger, including but not limited to:

- A reduced number of councillors
- Member allowances, training and support (IT etc)
- Governance efficiencies: a single constitution, member meetings, scrutiny structures, single strategic approach and single service plans policy direction and strategies etc
- Reduction in external costs associated with working as two separate councils e.g. audit arrangements

- Producing one set of financial accounts, one budget and holding one bank account
- A single Democratic Services structure
- Other member partnership meetings such as combined authority, LEP, health meetings etc
- Elections and associated expenses, electoral roll updates etc
- Rebranding and single set of communications tools
- New council seal for legal use
- Removal of duplication of work as a consequence of operating as two separate councils
- Removal of complexity and duplication of time, effort and officer resources 'freeing up' capacity and resources to deliver more

The report will include a brief pen picture of the councils in the WM and SE and those mentioned (East Sussex, West Sussex and West Somerset and Taunton), including Population, Number of Councillors, Number of FTE staff, Band D Council Tax, Annual Budget and the model in place e.g. single council/two councils, single staff etc.

Timeline

August

- Finalise scope with Stratford-on-Avon / Warwick & South Oxfordshire / Vale of White Horse councils

w/c 9th August – end of Sept

- Commence review of Stratford / Warwick & South Oxfordshire / Vale of White Horse data and materials
- Engage East Suffolk; West Suffolk; and Somerset West and Taunton in discussions for learning
- Gathering of materials from fully merged district councils as a baseline for the review
- MS Teams meetings with officers, as needed

Mid-October

- Finalise draft report for Stratford-on-Avon / Warwick review and South Oxfordshire / Vale of White Horse review

4. Next Steps

Following approval of this proposal the review can commence in early August with a written report available in October 21.

Appendix Two – Extracts from the The Deloitte Report.

The financial assessment indicates that creating a single council across Stratford-on-Avon and Warwick District Councils could deliver annual recurrent savings of £4.6m after five years.

	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)

Democratic Savings

Consolidating the Councils would be likely to result in efficiencies in democratic costs in areas such as having a single constitution, single governance structures and arrangements – for example, a single set of Cabinet meetings. These have not been costed here.

In addition, there may be a potential reduction in members. The Councils currently have a combined 80 councillors for a cost of £655k to cover member allowances and expenses.

Merging the two authorities will reduce the number of councillors needed as some of the district wards can be consolidated. Benchmarking the combined South Warwickshire population to other authorities, 80 councillors is significantly higher than the equivalent councils. This Business Case sets out a reduction in the number of Members from 80 to 59 as a result of the merger, based on comparison to authorities such as East Suffolk.

Based on an average allowance per Member of £8,182 (across the two councils), this would result in a new Member service cost for South Warwickshire of £483k, a saving of £172k from the current cost.

Council	Current Members	Current Cost (£'000s)	Cost per Member (£'000s)	New Members	New Cost (£'000s)	Saving (£'000s)
Stratford	36	330	8	59	483	172
Warwick	44	325				
Total	80	655				

The analysis has assumed the savings from reducing member numbers will be achieved following the next election of councillors in 2023, with savings realised in Year 4 (2024/25).

The reduction in Members would have an impact on the ratio of Members to Electors. Currently, Stratford's ratio of Members to Electors is 1:2905 and Warwick's is 1:2565.

Moving towards the above model of 59 Members would increase this ratio to 1:3685 for across South Warwickshire.

It is true that moving towards a higher Member:Elector ratio potentially increases work for Members in future. However, it should also be remembered that as a result of this change a smaller proportion of Members may be involved in committee and executive roles, and so less time will be required on these aspects across all Members.

Note from author:

In addition the Service Optimisation line of the overall savings summary (£3.782 in Year 5 in the Table in section 3 and reproduced above in Appendix 2) includes general democratic savings of £52,000 by year 5 (£27k from SDC and £25k from WDC). Also, the savings to management structure include the pooling of the Monitoring Officer role.

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Impact	5	Catastrophic	5	10	15	20	25
	4	Major	4	8	12	16	20
	3	Moderate	3	6	9	12	15
	2	Minor	2	4	6	8	10
	1	Negligible	1	2	3	4	5
Score			Rare	Unlikely	Possible	Likely	Very Likely
			1	2	3	4	5
			Likelihood				

Programme Risk Register

Ref	Risk Owner	Risk Description	Potential Consequences	Risk Rating			Mitigation	
				Likelihood	Impact	Overall Risk Rating	Existing Controls	Proposed Actions/Comment
PR001	Programme Board	One or both Councils voting against a full constitutional merger	<p>Both councils would have to seek further options to achieve savings and efficiencies</p> <p>Both Councils not realising the full potential of financial and non financial benefits</p> <p>Operational merger that follows a shared service model only, would be subject to further risk of being abandoned in the future with for example, changes to administration or priorities from either Council.</p>	3	4	12	<p>Continue to build a strong record of collaboration between the two Councils, strengthening the rationale for merging.</p> <p>Consult the public and show the results of this consultation.</p> <p>Open and regular engagement with elected members about the outcomes of all options ahead of key decisions</p>	Build a strong business case showing clear financial and non-financial benefits.
PR002	Programme Board	The Government may not give assent to the merger proposal.	<p>Both councils would have to seek further options to achieve savings and efficiencies</p> <p>Both Councils not realising the full potential of financial and non financial benefits</p> <p>Operational merger that follows a shared service model only, would be subject to further risk of being abandoned in the future with for example, changes to administration or priorities from either Council.</p>	3	4	12	<p>Continue to build a strong record of collaboration between the two Councils, strengthening the rationale for merging.</p> <p>Consult the public and show the results of this consultation along with the responses to any themed concerns</p> <p>Regularly engage with government officials to update on progress and receive any steer on direction</p>	<p>Build a strong business case showing clear financial and non-financial benefits.</p> <p>Further engagement with influential stakeholders.</p>

PR003	Programme Board	A submission to merge the district councils could trigger a local government reorganisation review for the whole Warwickshire area	An invitation from Government would have to be responded to within a given timescale.	3	3	9	Previous scoping work has been undertaken in consultation with other district and borough councils that began to explore local government reorganisation options.	To note, this is not the primary intention of the proposed merger of the two district councils. Maintain dialogue with the DLUHC on position.
PR004	Programme Board	Establishment of a larger local authority could lead to a 'democratic deficit' as a result of the reduction in the overall number of elected members.	Residents feeling further removed from their representatives	2	3	6	Maintain established links with Town and Parish Councils.	Establish arrangements to help elected members encourage community participation in decision making. Exploit the opportunities that modern technology offers to increase engagement between residents and elected members.
PR005	Programme Board	A bigger council may result in diseconomies of scale	If unchecked, could risk long term sustainability of local government.	2	4	8	Alignment of organisational policy, processes and contracts has begun.	Any changes to services should be carefully assessed and the right scale for all services should be found. Services do not have to be delivered at the super-district level if they are better delivered more locally. Economies of scale should only be made when suitable.

PR006	Programme Board	Lack of programme management and transformation capacity and capability to deliver the merger and transformation around the same time.	Failure to effectively manage interdependencies between transformation activities may lead to increased cost of delivery and / or implementation delays.	3	3	9	<p>Transformational funding will be required to fund additional Council Staff posts to manage the change. This has been initially agreed at £200k annually for a 3 year period and will be monitored by the programme board.</p> <p>Programme Management Office (PMO) established to track and monitor delivery of the programme, realisation of benefits (with measurable targets), risk management, member engagement, governance and reporting.</p>	<p>Take a phased approach where the merger is implemented first along with robust change management processes before wider large scale transformation takes place will help ensure there is sufficient change management capacity.</p> <p>Additional funding for ICT, redundancy and external advice will be required to enhance the full potential outcomes and benefits to be realised in time.</p> <p>Where appropriate buy in the skills and capacity needed.</p> <p>Ensure timescales are realistic based on the resources available.</p> <p>Assessment of support required by services for their alignment.</p>
PR007	Programme Board	Newly formed teams and organisational cultures are not fully integrated	Could lead to staff issues such as reduced morale and increased staff turnover.	3	4	12	<p>A clear rationale and set of principles for service integration are developed to integrate teams and enable further optimisation to take place afterwards.</p> <p>A communications strategy and plan should be produced explaining the transition process and the operating principles of the new authority.</p>	<p>Design and delivery of the 'One Team' Workstream will seek to implement culture change activities and initiatives.</p> <p>Identify opportunities to create capacity through new staffing models.</p> <p>Maximise the opportunities afforded by workforce agility, technology and partnership working with other public sector agencies.</p> <p>Senior leadership should model the new behaviours and actively manage culture change during the transition.</p> <p>Embed new ways of working into performance management and reward systems.</p> <p>Identify staff change champions.</p>

PR008	Programme Board	Anticipated savings are not achieved and/or transition costs exceed estimates.	This may impact on the financial resilience of the new council.	3	4	12	Establishment of a programme management office. Undertake regular reviews of the savings profiles and calculations during implementation to ensure they remain realistic and achievable.	Develop thorough and realistic cost and savings plans. Use scenarios to stress test best and worst case outcomes.
PR009	Programme Board	Failure to effectively manage interdependencies between transformation activities may lead to increased cost of delivery and / or implementation delays.	May lead to increased cost of delivery and / or implementation delays.	3	4	12	Establishment of a programme management office Development of a detailed implementation plan. Implement a robust change management process.	Receive regular reports from workstream leads
PR010	Programme Board	Integration of ICT systems across the two councils	The complexity of IT integration may undermine and put at risk the potential benefits of common working practices gained from IT integration.	4	4	16	The future IT architecture will need to be defined and the current position baseline understood. A clear plan for migrating IT systems during the migration implemented within the ICT and Digital Workstream	Being realistic about the pace of ICT integration - it will take several years and a lot of investment. Needs to correlate with the digital strategy and customer access strategy, when developed. Plan and estimated cost (including support) of ICT intergation programme required.
PR011	Programme Board	Preparing for the transition may draw resource away from delivering other council strategies and plans.	Reduction in performance and service delivery levels. Increase the risk of service disruption and reduce resilience of the existing and new council.	3	4	12	Development of a robust implementation programme plan, including more detailed plans of contributory workstreams and change activities. Manage the resources required to contribute towards the development and implementation of the programme of change	Test resilience to ensure crisis systems, risk capacity and risk management systems are in place. Establish a clear split between those working on the merger and those running the operational business and bring in additional resources where there are capacity and skills gaps.

PR012	Programme Board	The Grading Review as part of this process may result in potential extra costs due to some posts being uplifted and others being protected.	Could compromise the delivery of anticipated savings	3	3	9	Review potential savings on a continual basis through the implementation phase, especially during service integrations. Implement agreed Joint HR Policies	Implement a single job evaluation scheme by the time of the proposed merger. Further alignment of Terms and Conditions Cost of job evaluation process, outcomes and salary protection to be estimated.
PR013	Programme Board	Implementation of a major change may be seen as a capacity risk at a time when there will also be a major focus on COVID-19 recovery activities.	Reduction in performance and service delivery levels	3	4	12	Joint management team to monitor matters arising within their service areas and to escalate to the Programme Board accordingly.	Set out clear timescales and resource implications for implementation, and ensure these can be met under the current ways of working and COVID-19 pressures (including any backlog of work due to the pandemic). Review capacity against the timescales and resource requirements, and identify gaps where recruitment / external support is required.
PR014	Programme Board	The process of agreeing a new service design could lead to a service that is not ideal for either predecessor.	Reduced levels of service delivery for the existing councils now and threaten the effectiveness in a new Council.	3	4	12	Ensure the implementation plan allows enough time for services to be co-designed and agreed upon. Establish a clear rationale and principles for service integration and optimisation.	Any changes to services should be carefully assessed and the right scale for all services should be found. Services do not have to be delivered at the super-district level if they are better delivered more locally.
PR015	Programme Board	Significant changes in operational and political leadership	Could impact negatively on the appetite for shared services and joint working.	2	4	8	Robust terms of reference for the governance structures established for the programme A communications strategy and plan developed to explain and relay the transition process and principles of the change programme.	Senior leadership should model the new behaviours and actively manage culture change during the transition. Identify staff and member change champions across both Councils through One Team Workstream.
PR016	Programme Board	Lack of customer/stakeholder focus	Increase in complaints from customers. Loss of faith and support in current and proposed organisation of local government	2	4	8	Communications and engagement plan to include activities for key stakeholders including residents	Further engagement to take place at different stages in the run up to becoming a single Council

PR017	Programme Board	Underestimate of start-up and delivery costs	Increased budget spend could hamper any expected savings	3	3	9	Financials to be regularly reviewed through the programme lifecycle including spend and savings	Additional funding for ICT, redundancy and external advice will be required to enhance the full potential outcomes and benefits to be realised in time. Estimated costs being re-assessed for consideration by Board.
PR018	Programme Board	Loss of service performance and council reputation	Increase in complaints from customers. Loss of faith and support in current and proposed organisation of local government	3	4	12	Joint Management Team oversee KPIs for their service areas and to escalate	Programme schedule to be reviewed regularly to reduce impact on business as usual service delivery
PR019	Programme Board	Not standardising policies and procedures, especially at organisational level	Left unchecked, this could lead to issues of imbalance and increase potential for mismanagement and underperformance	2	4	8	Organisational policy alignment and harmonisation to be led through the Organisational Development Workstream Acknowledgment that this will take a considerable amount of time and effort.	Once integrated, service areas to further explore these through service delivery / action plans The corporate strategy workstream would seek to address this wider in the transitional run up to becoming one Council
PR020	Programme Board	Getting accurate comparable data on unit costs	Savings profile for both Councils could appear imbalanced	4	3	12	Acknowledgement of the current MTFPs of both councils and the associated savings.	Consolidating and creating a single MTFP
PR021	Programme Board	Political balance and constitution of each Council could present challenges for key decisions and milestones.	Protracted decisions could lead to delays in programme and operational delivery	3	4	12	The Joint Arrangements Steering Group, with agreed representation and the group leaders from both Councils is used as an initial discussion forum ahead of consideration at decision making committees.	The possibility of establishing further joint committees such as Cabinet and Overview and Scrutiny to be considered at an appropriate stage
PR022	Programme Board	Loss or absence of key officers during key activities of work in the programme such as Service Integrations	Implementation of service integrations could be hampered or delayed , impacting on the schedule.	3	4	12	Programme board to decide and implement interim measures to address these promptly	As a contingency, other service integrations may be brought forward.

PR023	Programme Board	Large proportion of officers leave during the transformation process and before efficiencies are realised.	The retained workforce could be insufficient to deliver services and implement further transformation	2	3	6	<p>Joint organisational change policy, recruitment and redeployment procedures agreed and in place from April 2021.</p> <p>Ensure service integration is staggered so that there is sufficient staff to establish new processes and support the new organisation to manage the loss of any knowledge and experience.</p> <p>Implement a robust change management process with service areas as they integrate and then look to optimise over time..</p>	Once new processes are established, consider further efficiencies and enhancement opportunities.
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Consultation on proposed merger of Stratford District Council and Warwick District Council

CONSULTATION QUESTIONNAIRE

Local councils play important roles in residents' lives and it is important that you have a say in how services are delivered in the future. Please read the engagement document and/or go online to www.XXXXXXXXXXX.gov.uk for information about the issues. To give your feedback, complete this questionnaire and return it FREEPOST to arrive by **24th October 2021**; or answer the questions online via the webpage above by the same date.

Stratford-on-Avon and Warwick District Councils have appointed ORS, as an independent social research company, to manage the consultation and questionnaire responses. ORS will faithfully report the outcomes, in which the views of individual members of the public will be anonymous; but where feedback is from organisations or elected representatives or someone acting in their official capacity, it may be attributed.

All the questions are optional, and all information you provide will be processed by ORS in accordance with the latest Data Protection regulations. For further information, please see www.XXXXXXXXXXXXXXXXXX.gov.uk/privacy and www.ors.org.uk/privacy

There are currently separate councils providing services across Warwickshire in a 'two-tier' structure. Warwickshire *County* Council provides services for residents across the *whole* of the county, including education, social care for children and adults, and highways. Depending on where you live, Stratford District Council or Warwick District Council, provide *local* services for residents and businesses in their areas, including housing, planning, refuse and recycling collection, revenues and benefits, parks and open spaces, and leisure services.

Before this consultation, were you aware that Warwickshire County Council and your District Council each provide separate services in your area? PLEASE TICK ✓ ONE BOX ONLY

Yes, aware

☐Know something, but not
all the details☐

No, not really aware

☐

Don't know

☐

Like many other councils, **Stratford-on-Avon** and **Warwick District Councils** are both facing increasing financial pressures on services due to reduced funding from government and increasing costs. Across the two council's annual savings increasing to around £10m each year by 2025/26 will be needed. The councils believe there is duplication of back-office and management functions, buildings and offices.

To what extent do you agree or disagree that Stratford-on-Avon and Warwick District Councils need to consider changes to respond to these challenges? PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
---	--	---	---	--	---

Faced with this financial pressure, and with a determination not to reduce the current level of services, Stratford-on-Avon and Warwick District Councils have already embarked on a programme to share more services. However, the councils believe that merely sharing services does not make sufficient financial savings and still leaves considerable duplication.

Stratford-on-Avon and Warwick District Councils are therefore considering a proposal to effectively merge, in which case **a new district council would be established covering the whole of South Warwickshire** (the areas currently covered by Stratford-on-Avon and Warwick District Councils). The councils believe there are a number of savings that a full merger would deliver, including through having fewer Councillors, reduced offices and public buildings, reduced costs of managing finances, and having single priorities across a wider area (please read the consultation document for further details of the proposal and impacts).

To what extent do you agree or disagree with the proposal to replace Stratford-on-Avon and Warwick District Councils with one new council to provide all district council services across South Warwickshire?

PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
---	--	---	---	--	---

Please explain the reasons for your answer.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Stratford-on-Avon and Warwick District Councils recognise that there are many different factors to consider when thinking about the future of local government in the area. They believe that it is important for any future arrangements to provide:

- » **Local public services:** keeping services as local as possible for as many residents as possible and a recognised local area that reflects how residents live their lives and how businesses operate
- » **Cost savings:** delivery of savings to support the overall budget
- » **Value For Money:** cutting out duplication, increasing economies of scale and improving efficiencies
- » **Stronger and more accountable local leadership:** democratic decision making that can be locally influenced and ensure that residents know how to raise issues to their local councillor and how to have a say on future service delivery
- » **Medium/long term sustainability :** frontline services that are sustainable, cost-effective and equipped to deliver good local services in the long-term

Please rate how important you think each of these criteria are using a whole number between 0 and 10, where “10” means that the criteria is critically important and “0” means the criteria is of no importance.

PLEASE WRITE IN A NUMBER BETWEEN “0” AND “10” IN EACH BOX

Local Public Services	Cost Savings	Value for Money	Accountability	Sustainability
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

If the proposed merger of district councils was taken forwards, there would in future be a smaller number of elected district councillors representing each area. A new larger council would seek to use modern technology to improve access to district councillors, and establish arrangements for greater community participation in decision making.

Have you contacted a local district councillor in the last 12 months? PLEASE TICK ✓ ONE BOX ONLY

Yes <input type="checkbox"/>	No <input type="checkbox"/>
---------------------------------	--------------------------------

If a new larger council was created, with proportionally fewer councillors, how concerned would you be about being able to contact a district councillor if you had an issue to raise? PLEASE TICK ✓ ONE BOX ONLY

Very concerned <input type="checkbox"/>	Fairly concerned <input type="checkbox"/>	Not very concerned <input type="checkbox"/>	Not at all concerned <input type="checkbox"/>	Don't know <input type="checkbox"/>
--	--	--	--	--

To what extent do you agree or disagree that you can influence decisions affecting your local area?

PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
--	---	--	--	---	--

Generally speaking, would you like to be more involved in the decisions that affect your local area?

PLEASE TICK ✓ ONE BOX ONLY

Yes <input type="checkbox"/>	No <input type="checkbox"/>	Depends on the issue <input type="checkbox"/>	Don't know <input type="checkbox"/>
---------------------------------	--------------------------------	--	--

Please let us know if there are any alternative options that address the identified challenges, any potential equalities impacts, or if you have any other comments relating to the possible merger of councils in South Warwickshire. PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

INFORMATION ABOUT YOU

If you are responding on behalf of a BUSINESS or ORGANISATION, who do you represent?

Please give us the name of the organisation and any specific group or department.

Please also tell us who the organisation represents, what area the organisation covers and how you gathered the views of members.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

If you are providing your own PERSONAL RESPONSE, please answer the questions below...

Stratford-on-Avon and Warwick District Councils have a duty to promote equality and want to make sure all parts of the community are included in this consultation, but these questions are optional. All responses will be taken fully into account when making decisions, regardless of whether you provide these details.

What is your full postcode?

This will help us understand views in different areas

PLEASE TICK ✓ ONLY ONE BOX FOR EACH QUESTION

What was your age on your last birthday?

- | | |
|--|-------------------------------------|
| <input type="checkbox"/> Under 25 | <input type="checkbox"/> 55 to 64 |
| <input type="checkbox"/> 25 to 34 | <input type="checkbox"/> 65 to 74 |
| <input type="checkbox"/> 35 to 44 | <input type="checkbox"/> 75 to 84 |
| <input type="checkbox"/> 45 to 54 | <input type="checkbox"/> 85 or over |
| <input type="checkbox"/> Prefer not to say | |

Are you employed by Stratford-on-Avon or Warwick District Councils, and/or any other local authority?

- ☐ Yes
☐ No
☐ Prefer not to say

What is your gender?

- ☐ Male
☐ Female
☐ Other
☐ Prefer not to say

If yes, which local authority/ies employ you?

PLEASE WRITE IN

What is your ethnic group?

- ☐ White
☐ Mixed or multiple ethnic groups
☐ Asian or Asian British
☐ Black, African, Caribbean or Black British
☐ Any other ethnic group
☐ Prefer not to say

Are you a councillor at County, District or Town/Parish level?

PLEASE TICK ✓ ALL THAT APPLY

- ☐ No
☐ Yes – County Councillor
☐ Yes – District Councillor
☐ Yes – Town/Parish Councillor
☐ Prefer not to say

Do you consider yourself to have a disability?

- ☐ Yes
☐ No
☐ Prefer not to say

THANK YOU FOR YOUR TIME

Please return the questionnaire by **24 October 2021**; to:

Opinion Research Services • FREEPOST SS1018 • PO Box 530 • Swansea • SA1 1ZL



South Warwickshire Together

Consultation on Proposals to Create a South Warwickshire Council

Final Report

Opinion Research Services
November 2021



Consultation on Proposals to Create a South Warwickshire Council

Opinion Research Services

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As with all our studies, findings from this report are subject to Opinion Research Services' Standard Terms and Conditions of Contract.

Any press release or publication of the findings of this report requires the advance approval of ORS. Such approval will only be refused on the grounds of inaccuracy or misrepresentation

This study was conducted in accordance with ISO 20252:2012 and ISO 9001:2015.

This version of the report will be deemed to have been accepted by the client if ORS has not been informed of any amendments within a reasonable period of time (1 month)

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1. Introduction

Overview of the consultation programme

Background to the consultation

- 1.1 Stratford-on-Avon and Warwick District Councils face a very uncertain financial future. It is estimated that both Councils will have a shortfall of around £4-6m each year by 2025/26, and across the two Councils this means that £10m of annual savings are needed over the next five years to address this shortfall and help preserve services. This level of annual reduction is about one-third of the combined costs of the Councils.
- 1.2 Faced with this financial pressure, and not wanting to see reductions in the current level of services, both Councils have been exploring a number of ways to work together to tackle this shortfall and reduce the impact on residents and service users. Both Councils agreed the ambition earlier this year to create a South Warwickshire District Council, and for this Council to be financially sustainable. This consultation was run to help them understand levels of support or otherwise for the proposal.
- 1.3 If after consultation, the Councils do decide to submit a proposal to Government, it must comply with some key requirements – namely, that future structures should be: likely to improve local government and service delivery in terms of value-for-money, savings, sustainability and leadership; based on existing local authority areas; and command a *“good deal of local support as assessed in the round across the whole area of the proposal”*.

The consultation programme

Introduction

- 1.4 The Councils appointed ORS (Opinion Research Services) to conduct and report an extensive consultation programme to examine people’s views on the proposal for a new South Warwickshire District Council.
- 1.5 ORS is a spin-out company from Swansea University with a UK-wide reputation for social research and major statutory consultations (including for recent local government reorganisations in Dorset, Buckinghamshire Oxfordshire and Northamptonshire).
- 1.6 The formal consultation period ran from September 6th to October 24th 2021 and during this period, residents, staff and stakeholders were invited to provide feedback through a wide range of routes, which included all the following:

An open consultation questionnaire for residents, stakeholders and organisations: the questionnaire was available online and paper questionnaires were widely available on request and yielded 1,633 responses;

A representative telephone survey of 613 residents (by random digit telephone dialling) to provide an accurate profile of opinions from the general population across Stratford-on-Avon and Warwick Districts;

Four deliberative¹ online focus groups with members of the public (two in each district);

Two focus groups with staff across the two Councils (one for managers and one for non-managers);

A deliberative online focus group with town and parish councillors;

A deliberative online focus group with voluntary and community sector representatives; and

Written submissions (18).

- 1.7 A focus group for business representatives was also originally planned, but despite the Councils sending out extensive invitations and reminders, no interest was expressed and so the session was cancelled. In-depth 30 minute interviews were also offered, but again there was no interest from businesses.
- 1.8 As well as the 12-page consultation document, a dedicated website was set up containing an introductory video from the Council Leaders, details of Council meetings where the merger was debated, a number of background documents and a question/answer section. The Consultation Institute were also involved acting as a 'critical friend' in the set-up of the consultation.

Quantitative consultation

Introduction

- 1.9 Based on the informative 12-page consultation document, ORS (with support from the Councils) designed an open questionnaire and telephone survey, both of which featured the same core questions around: awareness of local government structures; involvement in decision-making locally; whether change is needed; whether respondents agreed or disagreed with the proposal for a new South Warwickshire District Council; and views on possible councillor reductions. Respondents were also invited to rank five possible criteria that the Councils should consider when considering the future structure of local government; and in both versions there were sections inviting them to offer alternatives and potential equalities impacts, make further comments, and to profile those responding.
- 1.10 Please note that when this report refers to results based on the weighted data, the results are given as the proportion of "all residents"; but results based on the open questionnaire refer specifically to the "respondents" (because they are not necessarily representative of all residents).

Open consultation questionnaire

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

¹ Deliberative research gathers people's views after they have been presented with the opportunity to 'deliberate' the issues under consideration. Moderators present a range of information and encourage differing points of view to be debated, before considered final decisions are sought.

- 1.12 Open questionnaires are important forms of consultation, in being inclusive and giving people an opportunity to express their views; but they are not random-sample surveys of a given population – so they cannot normally be expected to be representative of the general balance of public opinion. For example, the young are usually under-represented while the elderly are over-represented; and the more motivated groups or areas are also typically over-represented compared with others.
- 1.13 It is important that open questionnaires are accessible to all, but without allowing multiple completions (by the same people) to distort the analysis. Therefore, while making it easy to complete the survey online, ORS monitors the IP addresses through which surveys are completed. A similar analysis of “cookies” was also undertaken – where responses originated from users on the same computer using the same browser and the same credentials (e.g. user account). A few submissions were received with duplicate cookies, but none were considered to be identical responses or appeared to be attempting to skew the results; so we have not excluded any online submissions on the basis of a duplicate IP address or cookies. Similarly, no paper questionnaires returned to ORS were considered to be duplicate responses.

Residents’ telephone survey

- 1.14 A residents’ survey was undertaken to ensure that a representative profile of opinions across Stratford-on-Avon and Warwick Districts was achieved. To capture the views of the general population, 613 residents took part in structured telephone interviews with ORS interviewers during the consultation period. A survey approach was used because, with a population of almost 275,000 residents, it would have been neither practical nor cost-effective to do a postal census of all households or residents.
- 1.15 The survey used random digit dialling combined with quota-based sampling to ensure that residents who were less likely to engage with the consultation were included and encouraged to give their views about the proposal. Residents were provided with summary information by the interviewer before being asked for their views.
- 1.16 The extent to which results can be generalised from a sample depends on how well the sample represents the population from which it is drawn, for different types of people may be more or less likely to take part. Such ‘response bias’ is corrected by statistical weighting based on a comparison of the demographic characteristics of the respondents with data for the whole population – to identify and correct any under- or over-representation.
- 1.17 In order to better understand how views differ between the two local authorities areas, equal numbers of interviews were targeted in each District; this was taken into account in the weighting process, to give each district a proportional influence on the overall result relative to the size of its population. The remaining quotas (i.e. those for age, gender and working status) were designed to be representative of the overall population of Stratford-on-Avon and Warwick Districts, based on the most recent available secondary data.
- 1.18 The achieved sample was compared against secondary data for the District, interlocked age and gender, working status, disability and tenure, and subsequently weighted by tenure, working status, disability, and interlocked age and gender. Weights were capped at five with the remainder apportioned across all cases, and a final district weight was applied. As a result of this process, the survey estimates should be broadly representative of the overall population of Stratford-on-Avon and Warwick Districts to within around +/- 5 percentage points at a 95% level of confidence. In other words, 19 times out of 20 (95%) if the whole population was interviewed then the findings would not differ by more than +/- 5 percentage points from the survey estimates. Considering the sample sizes, the opinion splits, and the degrees of statistical weightings used (to compensate for different response rates from different demographic groups), the

survey findings are accurate enough for reliable conclusions to be drawn about residents' opinions on the Councils' proposal.

Deliberative consultation

Introduction

- 1.19 The consultation programme included a wide range of meetings with members of the public, Council staff, town and parish councillors and voluntary and community sector representatives.
- 1.20 In summary, ORS independently facilitated/undertook:
- Four focus groups with randomly selected members of the public, two in each local authority area (with a total of 35 participants);
 - Two online focus groups with members of staff from across the two Councils, one with managers (9 participants) and one with non-managers (6 participants);
 - An online focus group with 26 town and parish councillors from across Stratford and Warwick District Council areas; and
 - An online focus group with 12 voluntary and community sector representatives from across Stratford-on-Avon and Warwick District Council areas.
- 1.21 The focus groups with members of the public, town and parish councillors and voluntary and community sector representatives were held on the videoconferencing platform Zoom. All meetings began with a presentation by ORS to provide standardised information about the current structure of local government in Warwickshire, the case for change and the rationale for the proposal to create a new South Warwickshire District Council. Participants' views were then captured through discussions and a series of interactive 'polls'. They were encouraged to ask questions throughout, and the meetings were thorough and truly deliberative in listening to and responding openly to a wide range of evidence and issues.
- 1.22 The staff sessions were run on Microsoft Teams and had a slightly different emphasis, focusing on: the opportunities presented by the proposal and any concerns around it; office accommodation (particularly in relation to location and size); organisational culture and partnership working; and ways in which staff and managers could be involved in developing and shaping a new Council - be it fully merged or operationally merged.
- ### Focus groups with members of the public
- 1.23 The online focus groups reported here used a 'deliberative' approach to encourage members of the public to reflect in depth about the case for change and the Councils' proposal, while both receiving and questioning background information and discussing their ideas in detail. The meetings lasted for two hours and were held and attended as overleaf.

AREA/DATE	NUMBER OF ATTENDEES
Warwick 1 (Tuesday 5 th October)	8
Warwick 2 (Wednesday 6 th October)	8
Stratford-on-Avon 1 (Tuesday 19 th October)	10
Stratford-on-Avon 2 (Wednesday 20 th October)	9

- 1.24 Participants were recruited by Acumen Field, a specialist recruitment agency, who initially sent out a screening questionnaire as an online survey to a database of contacts and, more widely, on social media platforms. They then collated the responses to establish a pool of potential recruits, which was 'sifted' to establish a contact list. People were then contacted by telephone, asked to complete a more detailed screening questionnaire and either recruited or not to match the required quotas. Those recruited were sent all the necessary details in a confirmation email and telephoned a day or two before the events to confirm their attendance. The desired attendance was at least eight participants in each group
- 1.25 In recruitment, care was taken to ensure that no potential participants were disqualified or disadvantaged by disabilities or any other factors. The recruitment process was monitored to ensure social diversity in terms of a wide range of criteria (including, for example: gender; age; ethnic group; working status; and disability/limiting long-term illness (LLTI)). As standard good practice, people were recompensed for giving up their time to take part with a £50 gift voucher. Overall, as shown in the table below, participants represented a broad cross-section of residents across the county.

GENDER	AGE	WORKING STATUS	ETHNIC GROUP	LIMITING ILLNESS OR DISABILITY
Male: 17 Female: 18	16-30: 5 31-44: 13 35-54: 10 55+: 7	Working full- or part-time: 29 Not working/retired: 6	White British: 31 BAME: 4	5

- 1.26 Although, like all other forms of qualitative engagement, deliberative focus groups cannot be certified as statistically representative samples of public opinion, the four meetings reported here gave diverse members of the public the opportunity to participate actively. Because the meetings were inclusive, the outcomes are broadly indicative of how informed opinion would incline based on similar discussions.

Focus groups with staff

- 1.27 All members of staff across the two Councils were invited to one of two focus groups: the first for managers on the afternoon of 20th October and the second for non-managers on the morning of 21st October. 24 responses were received from those wishing to attend, though other commitments meant that some were unable to do so on the day. Ultimately, nine managers and six non-managers attended the sessions.

Focus group with town and parish councils

- 1.28 The Councils liaised with the Warwickshire Association of Local Councils (WALC) to invite its members to a two-hour online focus group on the evening of Thursday 7th October 2021. A total of 26 councillors and clerks attended the session: they took an active interest in the issues and asked many questions. Most of

them were familiar with the debate, and many had formed opinions on the proposal before attending the group.

Focus group with voluntary and community sector representatives

- 1.29 Representatives from the voluntary and community sector were invited by the Councils to attend a two-hour online focus group on the afternoon of Thursday 30th October 2021. 12 people attended the session.

Written submissions

- 1.30 Stakeholders were also encouraged to make written representations about any aspects of the proposal for ORS to analyse and report. In total, 18 submissions were received, all of which have been summarised in this report.

Nature of engagement

Accountability

- 1.31 Accountability means that public authorities should give an account of their plans and take into account public views: they should conduct fair and accessible engagement while reporting the outcomes openly and considering them fully.
- 1.32 This does not mean that the majority views should automatically decide public policy; and the popularity or unpopularity of draft proposals should not displace professional and political judgement about what is the right or best decision in the circumstances. The levels of, and reasons for, public support or opposition are very important, but as considerations to be taken into account, not as factors that necessarily determine authorities' decisions. Above all, public bodies have to consider the relevance and cogency of the arguments put forward during public engagement processes, not just count heads.

Proportional and fair

- 1.33 The key good practice requirements for proper engagement programmes (as with formal engagement programmes) are that they should:

- Be conducted at a formative stage, before decisions are taken;
- Allow sufficient time for people to participate and respond;
- Provide the public and stakeholders with enough background information to allow them to consider the issues and any proposals intelligently and critically; and
- Be properly taken into consideration before decisions are finally taken.

- 1.34 As a well-established and specialist social research practice with wide-ranging experience of controversial statutory consultations and engagement processes across the UK, ORS considered view is that the process undertaken by the Councils meets these standards. The consultation has been conscientious in eliciting the informed opinions of stakeholders and members of the general public; the consultation was open, accessible and fair to all stakeholders; it sought to conform with 'best practice' and was 'proportional' in terms of its scale and the balance of elements and methods used.
- 1.35 Finally, while no one consultation is ever identical to another (especially one based on a different topic or in a different area of the country), it is worth noting that

- » (a) the general findings from this consultation are not dissimilar to those from other recent district council mergers (such as that in East Suffolk), and
- » (b) various aspects (for example the contrasting results from the consultation questionnaire and the residents' survey) are reflected in other consultations, such as those that have been undertaken around the possible introduction of unitary authorities.

^{1.36} These similarities potentially provide a certain level of assurance that Stratford-on-Avon and Warwick District Councils' consultation process as reported here represents a reasonable effort to understand the views of the general public and other key stakeholders.

The report

^{1.37} This report reviews the sentiments and judgements of respondents and participants. Some verbatim quotations are used, in indented italics, not because we agree or disagree with them, but for their vividness in capturing recurrent points of view. ORS does not endorse any opinions but seeks only to portray them accurately and clearly. The report is an interpretative summary of the issues raised by participants and ORS is clear that its role is to analyse and explain the opinions and arguments of the many different interests participating in the engagement, but not to 'make a case' either way for the proposal.

2. Executive Summary

Key insights and considerations

The Councils' research questions

- 2.1 This chapter summarises the consultation outcomes to highlight the overall balance of opinion in relation to the proposed merger of Stratford-on-Avon and Warwick District Councils into a new South Warwickshire District Council. It primarily seeks to address the following research questions:

To what extent is there awareness and understanding of current local government structures and service provision?

To what extent is there recognition of and support for the Council's case for change, and what are the most important criteria to consider as part of any change?

To what extent is there support for the proposed merger of the two District Councils?

If a single new Council was created, with fewer councillors overall, how might any challenges be mitigated?

- 2.2 ORS' approach is therefore to summarise the findings from the various consultation strands in relation to these key questions. The remaining chapters of this report will, by contrast, present more detailed findings arranged according to the specific topics covered and questions asked during the consultation programme. It considers the feedback from each element of the consultation in turn because it is important that the full report provides a full evidence-base for those considering the findings. We trust that both this summary and full report will be helpful to all concerned.

Understanding approaches to local government structures²

- 2.3 Reported awareness of the current structure was high in both the consultation questionnaire and the representative residents' survey.
- 2.4 More than four fifths (86%) of individuals responding to the **consultation questionnaire** stated that they were aware that the County Council and their local District Council each provide separate services in their area, while around a tenth or so (11%) claimed to know some of the details.
- 2.5 Fewer, although still around 7 in 10 (71%) **residents in the survey**, stated that they were aware of the current structure, while just over a tenth (12%) claimed to know something, but not all the details.
- 2.6 However, while very few consultation questionnaire respondents stated that they were *not* aware (3%), close to a fifth of those participating in the representative survey (17%) reported that they were not aware of the current structure of local government in Warwickshire.

² Please note that these questions were asked only of members of the public, as it was expected that levels of awareness among other audiences would be good.

- 2.7 On the other hand, the findings of the **residents' focus groups** suggested that levels of awareness and understanding were far from comprehensive. Many participants were unsure of the responsibilities and services provided by each level of council, and voting exercise demonstrated that there was clearly some confusion around which councils provide various services, most notably libraries, council housing and benefits, and waste disposal.

The case for changing local government structures in Warwickshire

- 2.8 There was generally widespread acceptance of a need to change, in both the consultation questionnaire and the residents' survey.
- 2.9 Around 7 in 10 of the individual respondents to the **consultation questionnaire** agreed that the Councils need to make changes to respond to the challenges (70%), although, perhaps surprisingly, close to a fifth disagreed (18%). In the representative **residents' survey**, over 8 in 10 (82%) agreed with the case for change, while fewer than a tenth disagreed (8%).
- 2.10 Most **town and parish councillors** participating in the focus group agreed that there is a case for changing the way local government is provided across South Warwickshire, based on a recognition of the need for financial savings and the benefits of joint working.
- 2.11 Many **VCS representatives** understood the need for change based on evident monetary challenges; however, there was some scepticism in terms of whether any significant financial savings would really be possible.
- 2.12 Among those responding via **written submissions**, there was a generally widespread recognition of the need for change to meet financial challenges and protect services.

The criteria that must be considered as part of any proposed change

- 2.13 Those responding to the *quantitative elements* of the consultation (i.e. the questionnaire or survey) were invited to *score* five criteria against a 0 to 10 scale (where 10 signified highest importance), while those taking part in the deliberative elements (i.e. the focus groups) were encouraged to *rank* them in order of relative importance.
- 2.14 The five criteria (in the order they were presented in the questionnaire/survey and the focus group material) were: 'local public services', 'cost savings', 'value for money', 'stronger/accountable local leadership' and 'medium/long-term sustainability'.
- 2.15 Individuals responding to the **consultation questionnaire** attached most importance to '*local public services*', followed by '*stronger and accountable local leadership*', and lowest importance to '*cost savings*' (albeit this still achieved a reasonably strong average score).
- 2.16 Participants in the **residents' survey** attached most importance to '*sustainability*' and '*local public services*' and least to '*cost savings*' (however, it should be emphasised that the mean scores attached to each of the criteria were largely very similar across the board).
- 2.17 Overall, '*local public services*' was ranked as being of most importance to residents in the **residents' focus groups**, closely followed by '*stronger/accountable local leadership*'. '*Value for money*' and '*cost savings*' ranked lowest – however a range of rankings were given for each of the criteria.

- 2.18 To the **town and parish councillors** participating in the focus group, the most important of the five criteria was '*stronger/accountable local leadership*', however all five criteria were ranked strongly and widely considered to be vital for decision-making around future local government structures.
- 2.19 Some participants tended to focus on what was missing from the list: for example: a few participants queried a lack of reference to service quality and improvements in the list of criteria. Some **VCS focus group participants** felt the criteria were budget-driven, demonstrating a lack of consideration for residents and communities and emphasising the councils' financial challenges in order present the merger as necessary.
- 2.20 Across all the consultation activities involving residents (i.e. the questionnaire, survey and residents' focus groups) the two lower ranked criteria tended to be 'value for money' and 'cost savings'. This perhaps suggests that financial arguments for changing future local government structures do not tend to resonate quite as strongly with residents.

The proposal for a merger between the two District Councils

- 2.21 Around a third (35%) of individuals responding to the **consultation questionnaire** agreed with the proposal for a merger, while more than half (58%) disagreed³. In the results to the **residents' survey**, these proportions were more-or-less reversed i.e. over half (57%) agreed with the proposal⁴, while close to a third (31%) disagreed.
- 2.22 The views expressed in the **residents' focus groups** were fairly divided, with similar numbers agreeing and disagreeing with the proposal. There was therefore some support for the proposed merger, on the basis this 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. However, several concerns were also expressed, although sometimes by those that supported the merger i.e. they were not always stated as a reason not to proceed.
- 2.23 Concerns expressed **across the various consultation activities** included: negative impacts on staffing, such as potential for job losses across the councils, de-skilling and/or demotivation of the workforce, and a resulting decline in service quality; perceptions that a larger council may be 'remote', bureaucratic and inefficient; and a democratic 'deficit' resulting from a reduction in the number of District Councillors, which (it was suggested) might lead to a loss of local knowledge and have an isolating effect on some smaller communities in particular. Some also doubted whether the proposal would achieve the required level of savings and efficiencies.
- 2.24 Participants across the consultation activities also expressed concerns around differences between the districts (e.g. in terms of levels of prosperity, urban/rural character, political complexion, etc) and whether all areas would be treated fairly in terms of an allocation of resources. There were also some concerns around the process of council tax equalisation (for example, whether some areas might end up 'paying more for less') and other aspects of the transition process. A few saw the proposal as more or less a 'fait accompli' and doubted the sincerity of the consultation process.
- 2.25 Among those responding via **written submissions**, the status quo was generally considered unsustainable and there was widespread (but certainly not unanimous) support for the proposal. Ten submissions were in

³ It is worth noting that agreement was somewhat lower in Warwick (30%) than in Stratford-on-Avon, where the majority agreed (48%)

⁴ More than half agreed in both districts: 60% in Stratford-on-Avon, 55% in Warwick

support of the proposed merger (Rugby Borough Council, four town and parish councils, Shakespeare's England, South Warwickshire NHS Foundation Trust, Stonewater, The Stratford Society, and University of Warwick). Three submissions (all from parish councils) were opposed to the proposed merger, and five submissions (North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council; Warwickshire County Council; Royal Leamington Spa Town Council; Stratford-on-Avon Town Council) were neutral or non-committal.

- 2.26 While they perceived that the proposal might potentially lead to opportunities (e.g. in terms of sustainable and more consistent service provision), **members of staff** participating in two focus groups also had specific concerns around timescales and the operational challenges associated with a merger; potential obstacles to providing a uniform service, given demographic challenges and differences; and the impacts of stress and uncertainty on the workforce.
- 2.27 **Town and parish councillors** participating in a focus group expressed similar concerns to the above, although a number were supportive of the potential for improved economies of scale and a 'stronger' local authority. While some welcomed the proposal as potentially offering scope for town and parish councils to take on an enhanced role, others were concerned about the potential extra burden this might entail, particularly if the changes were not supported by improved levels of funding at this tier of local government.
- 2.28 A few of these town and parish councillors dismissed suggestions that the proposal might result in greater involvement in planning, decision-making and delivering local services as simply "sweeteners" rather than fully-formed proposals, while some were sceptical about how successfully any transition process might be managed and the extent of any savings that might be achieved.
- 2.29 Specific concerns raised by **VCS representatives** participating in a focus group included: perceived differences in ethos and ways of working between the two District Councils (which, it was suggested, might impact on the likely success of any merger); the potential loss of positive working relationships between existing councillors, staff and the voluntary sector if the proposal goes ahead; and a lack of clarity around the possible role that might be played by the VCS within any new structure.
- 2.30 The topic of unitarisation came up from time to time across the various consultation activities. Small numbers focus group participants supported the districts' proposal because they disapproved of unitarisation and hoped that a merger might stave off any possible future moves towards a single-tier structure. On the other hand, several individuals participating in the focus groups or responding to the questionnaire felt that unitarisation was the only realistic and viable long-term solution to the challenges facing local government. Some implied that the proposed merger between the two districts was therefore futile and/or unnecessary; however, others interpreted the proposal more in terms of a precursor or a stepping-stone to a further or more far-reaching reorganisation process in the years ahead.

Other considerations and mitigations

Possible alternatives to the proposal

- 2.31 One of the main suggested alternatives to the proposal was for a unitary council covering the whole of Warwickshire (occasionally with an additional suggestion for Area Committees based on the existing districts), although some also suggested that the area covered by the proposed new 'South Warwickshire' District Council should in fact be a unitary authority.

- 2.32 The other main alternative put forward was for more sharing of services and/or staff and greater collaboration between the two districts but stopping short of a full merger. A few of the town and parish council focus group participants asked that more be done to consider potential alternatives, for example, sharing of back-office functions with other, different Councils, both within (i.e. working with the remaining three districts and/or the County) and outside Warwickshire (e.g. with Coventry or another area).
- 2.33 Specific suggestions made by very small numbers of respondents or participants included: consideration of mergers with councils outside Warwickshire; fully restructuring the existing Councils, before pursuing any mergers; a more-or-less complete operational (but not political) merger between the two Districts; having the County Council take on some services currently provided by the District Councils, to alleviate some of the financial pressures; and pursuing some kind of more far-ranging, regional-level (e.g. pan-West Midlands) reorganisation.

Possible areas to mitigate

- 2.34 Nearly half of individuals responding to the questionnaire (45%) and around a quarter of residents in the survey (27%) stated that they had been in contact with a district councillor over the previous year. In the event of a single district council being created, with a reduced number of Councillors, most individuals responding to the questionnaire (70%), and just over half of survey residents (55%), indicated that they would be very or fairly concerned about being able to contact a District Councillor. Older questionnaire and survey respondents were somewhat more likely to express a concern. Concerns about a so-called 'democratic deficit' were also frequently expressed in relation to smaller and/or rural communities, which were felt to be at greatest risk of becoming 'marginalised'.
- 2.35 Some respondents asked that the impact on certain groups be considered e.g. the elderly and/or vulnerable, families with low incomes and/or limited IT access, and people with disabilities. Specific concerns centred around: loss of access to services due to these being spread over a wider area, impacts of council tax rises (e.g. as part of the equalisation process), and the loss of a 'personal touch' and/or of existing, productive relationships with local Councillors.
- 2.36 There was some support for town and parish councils taking on enhanced role to maintain engagement and ensure voices would be heard at a local level, in the event of the proposal going ahead (this was also suggested by those advocating a move to unitary local government) – however, as explained above, there were also concerns around a lack of specific detail about what this might entail, and whether sufficient resources could be put in place to achieve it. It was suggested (e.g. by staff participating in focus groups) that those preferring or needing face-to-face contact must be accounted for – either via smaller offices in more locations or a smaller central 'hub' in each district, or possibly regular 'surgeries' in town centres.
- 2.37 In the event of the proposal going ahead, it was widely felt that communication would be very important. For example, **VCS representatives** felt it was crucial that any merger should not be viewed (either internally or externally) as one council 'taking over' the other.
- 2.38 **Members of staff** who participated in the focus groups suggested that a 'bottom up' process (i.e. involving staff of the two districts in the implementation of the proposal), rather than an overly 'top down' process imposed from above, would be far more likely to alleviate any concerns among the workforce.
- 2.39 Most of those attendees could see the logic behind and need for the proposed merger, but felt they would benefit from more and/or better information, communication and engagement to allay their concerns – a view that was frequently echoed across the various consultation activities.

Conclusions

^{2.40} Based on the findings from the residents' survey, an absolute majority of the general public across the two districts (and of organisations responding via the questionnaire) agreed with the proposal, which would therefore evidence a 'good deal of support' for the merger. The views of some other stakeholders, especially respondents to the consultation questionnaire and participants at the residents' focus groups, were somewhat more divided; though equally, there was also no overwhelming consensus *against* the proposal, with a number of respondents/participants being in favour. Similarly, there was widespread agreement with the case for change across the consultation activities, and many participants in the other focus groups (involving local authority staff, town and parish councillors, and voluntary sector representatives) foresaw potential opportunities as part of any merger, indicating some support for the proposal. Finally, more of those providing a written submission were in favour of the proposal than were against it.

^{2.41} While there is therefore certainly some evidence to suggest a good deal of support for the proposal, it is also apparent that a number of concerns exist. In particular, it is evident that many members of the public who responded to the questionnaire (from both districts, but particularly in Warwick) disagreed or had reservations, and it is evident that clear and specific concerns exist, for example:

- Contacting a Councillor and a possible 'democratic deficit' i.e. in the event of Councillor numbers being reduced (although at this stage the actual level of reduction is unknown);
- Maintaining access to council services;
- Taking account of differences between areas, and treating them equitably;
- The complexity of the transition process;
- The future role of town and parish councils, voluntary sector bodies, etc;

^{2.42} *If* any new Council were to be created, these kinds of concerns would therefore need to be addressed and/or mitigated as far as possible, in order to ensure a successful, well-supported transition.

3. Open consultation questionnaire

Introduction

- 3.1 The consultation programme included an open questionnaire based on the main themes in the Councils' information document – to offer an inclusive opportunity for anyone (residents, organisations and any other stakeholder, both inside and outside the county) to give their views on the issues and options. The questionnaire was available in online and paper formats between 6th September and 24th October 2021 and 1,633 responses were received in total.
- 3.2 Of the 1,633 responses, 31 were received from organisations. Responses from organisations might represent the views of large numbers of individuals or key stakeholders who might be particularly informed about the impacts on their members, or they could raise technical arguments that cannot easily be summarised. For these reasons, ORS typically reports the views of individual respondents and organisations separately.

Respondent profile (individuals)

- 3.3 The table below profiles the 1,602 individual respondents to the engagement questionnaire. Figures may not always sum to 100% due to rounding.
- 3.4 The engagement questionnaire was publicised and made freely available to any individual or group who wished to express their views about options for the future of local government in Warwick and Stratford-on-Avon Districts. This means that the response profile is not necessarily representative of the Warwick and Stratford-on-Avon adult populations, for example, younger people aged under 35 are underrepresented in the responses to the questionnaire, relative to their incidence in the overall population. The open questionnaire findings should be considered in this context; nonetheless they are important and should be taken seriously alongside the deliberative results and other evidence.

Table 1: Consultation questionnaire individual respondents by demographic characteristics

Characteristic	Count	% Valid responses	Warwick & Stratford-on-Avon Population (18+)
BY AGE			
Under 35	157	11%	27%
35-44	175	13%	14%
45-54	270	20%	17%
55-64	298	22%	16%
65-74	338	25%	14%
75+	138	10%	13%
Total valid responses	1,376	100%	100%
<i>Not known</i>	226	-	-
BY GENDER			
Male	613	45%	49%
Female	737	54%	51%

Other ⁵	11	1%	-
Total valid responses	1,361	100%	100%
<i>Not known</i>	241	-	-
BY ETHNIC GROUP			
BAME	50	4%	6%
White	1,264	96%	94%
Total valid responses	1,314	100%	100%
<i>Not known</i>	288	-	-
BY WHETHER RESPONDENT HAS A DISABILITY			
Yes	141	10%	18%
No	1,221	90%	82%
Total valid responses	1,362	100%	100%
<i>Not known</i>	240	-	-

- 3.5 Individual responses by local authority and by ward (for those respondents who provided a valid postcode) are summarised on Table 2 and Table 3 below (Table 3 continues overleaf).

Table 2: Individual responses by area, compared to the combined Stratford and Warwick population aged 18+

Area	Count	% Valid responses	Combined population 18+
Stratford-on-Avon	482	36%	48%
Warwick	869	64%	52%
Total responses in Stratford-on-Avon/Warwick	1,351	100%	100%
<i>Outside Stratford-on-Avon/Warwick</i>	9	-	-
<i>Not known</i>	242	-	-

Table 3: Individual questionnaire responses by ward

Area	Count	% Valid responses
WARDS IN STRATFORD-ON-AVON		
Alcester Town	12	1%
Alcester & Rural	19	1%
Avenue	8	1%
Bidford East	10	1%
Bidford West & Salford	7	1%
Bishop's Itchington	15	1%
Bishopton	13	1%
Brailes & Compton	28	2%
Bridgetown	15	1%
Clopton	9	1%
Ettington	28	2%
Guildhall	13	1%
Harbury	10	1%
Hathaway	4	*
Henley-in-Arden	6	*
Kineton	10	1%

⁵ Please note, no suitable secondary data is currently available for 'other'; therefore the population data above is based on male and female only.

Kinwarton	17	1%
Long Itchington & Stockton	10	1%
Napton & Fenny Compton	13	1%
Quinton	11	1%
Red Horse	13	1%
Shipston North	14	1%
Shipston South	11	1%
Shottery	15	1%
Snitterfield	21	2%
Southam North	12	1%
Southam South	19	1%
Studley with Mappleborough Green	11	1%
Studley with Sambourne	9	1%
Tanworth-in-Arden	3	*
Tiddington	9	1%
Welcombe	13	1%
Welford-on-Avon	23	2%
Wellesbourne East	29	2%
Wellesbourne West	13	1%
Wootton Wawen	9	1%
WARDS IN WARWICK		
Bishop's Tachbrook	38	3%
Budbrooke	50	4%
Cubbington & Leek Wootton	15	1%
Kenilworth Abbey & Arden	39	3%
Kenilworth Park Hill	44	3%
Kenilworth St John's	38	3%
Leamington Brunswick	33	2%
Leamington Clarendon	106	8%
Leamington Lillington	64	5%
Leamington Milverton	94	7%
Leamington Willes	82	6%
Radford Semele	14	1%
Warwick All Saints & Woodloes	60	4%
Warwick Aylesford	52	4%
Warwick Myton & Heathcote	52	4%
Warwick Saltisford	49	4%
Whitnash	39	3%
Total responses in Stratford-on-Avon/Warwick	1,351	100%
<i>Outside Stratford-on-Avon/Warwick</i>	9	-
<i>Not known</i>	242	-

- 3.6 Of the 1,602 individual respondents, 80 (6%) said that they were Councillors (County, District and/or Town/Parish) – around two-thirds of these lived in Stratford-on-Avon.
- 3.7 Ninety-seven respondents (7% of individuals responding to the questionnaire) were local authority staff, of whom over half worked for Warwick District Council.

Table 4: Individual questionnaire responses by County, District and/or Town/Parish Councillor and Local Authority Employee

Area	Count	% Valid responses
BY WHETHER A COUNCILLOR		
County, District and/or Town/Parish Councillor	80	6%
Not a Councillor	1,361	94%
Total valid responses	1,441	100%
<i>Not known</i>	<i>161</i>	<i>-</i>
BY WHETHER A LOCAL AUTHORITY EMPLOYEE		
Local authority employee	97	7%
Not a local authority employee	1,318	93%
Total valid responses	1,415	100%
<i>Not known</i>	<i>187</i>	<i>-</i>

Duplicate and Co-ordinated Responses

- 3.8 It is important that engagement questionnaires are open and accessible to all, while being alert to the possibility of multiple completions (by the same people) distorting the analysis. Therefore, while making it easy to complete the questionnaire online, ORS monitors the IP addresses through which questionnaires are completed. A similar analysis of “cookies” was also undertaken – where responses originated from users on the same computer using the same browser and the same credentials (e.g. user account).
- 3.9 After careful analysis of the raw dataset, ORS did not find any responses that appeared to be attempting to systematically skew results. A handful of responses were not included in the final analysis, on the basis of having been identified as a partially completed duplicate of response that was subsequently submitted in full.

Responses from organisations

- 3.10 Respondents had the option of responding as an individual or on behalf of an organisation. Overall, 31 respondents said that they were responding on behalf of organisations; most of these responses were on behalf of town and parish councils. Respondents acting on behalf of organisations were informed that, where feedback is from representatives of organisations or someone acting in an official capacity, it may be attributed to them.
- 3.11 The named organisations who responded to the consultation questionnaire are shown in Table 5, and their feedback is reported separately from that of individuals, in a dedicated section at the end of this chapter.

Table 5: Organisational responses to the consultation questionnaire.

Organisation	
Town and Parish Councils, and Parish Meetings: Admington Parish Council Alcester Town Council Alderminster Parish Council Baginton Parish Council Burmington Parish Meeting Butlers Marston Parish Council Cherington and Stourton Parish Council Chesterton & Kingston Parish Meeting Farnborough Parish Council Fenny Compton Parish Council Great Alne Parish Council Little Welford Parish Meeting Long Compton Parish Council Mappleborough Green Parish Council Marston Sicca Parish Council Norton Lindsey Parish Council Radford Semele Parish Council Upper Lighthorne Parish Council Warmington and Arlescote Parish Council Wellesbourne and Walton Parish Council	Others: Coventry Cyrenians Local consultancy business Local planning business Other local business (no details specified) P3 charity Packmores Community Centre Outreach/local residents' group Shakespeare's England Warwickshire Police (corporate response)

Interpretation of the data

- 3.12 For simplicity, the results for the open engagement questionnaire are presented in a largely graphical format, where the numbers on pie or bar charts indicate the percentage or proportion giving a particular view. Grouped percentages are used e.g. to show overall levels of agreement and disagreement. Where possible, the colours of the charts have been standardised with a 'traffic light' system in which green shades represent positive responses (such as 'agree'), red shades represent negative responses (such as 'disagree'), and beige or purple shades represent neither positive nor negative responses. Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of "don't know" categories, or multiple answers. An asterisk (*) denotes any value less than half of one per cent.
- 3.13 All open-ended responses have been read and classified (coded) using a standardised approach (code frame). This approach helps ensure consistency when classifying different comments and the resulting codes represent themes that have been repeatedly mentioned.
- 3.14 Where results are shown based on District, these are based on individual respondents' postcodes (where the information was provided).

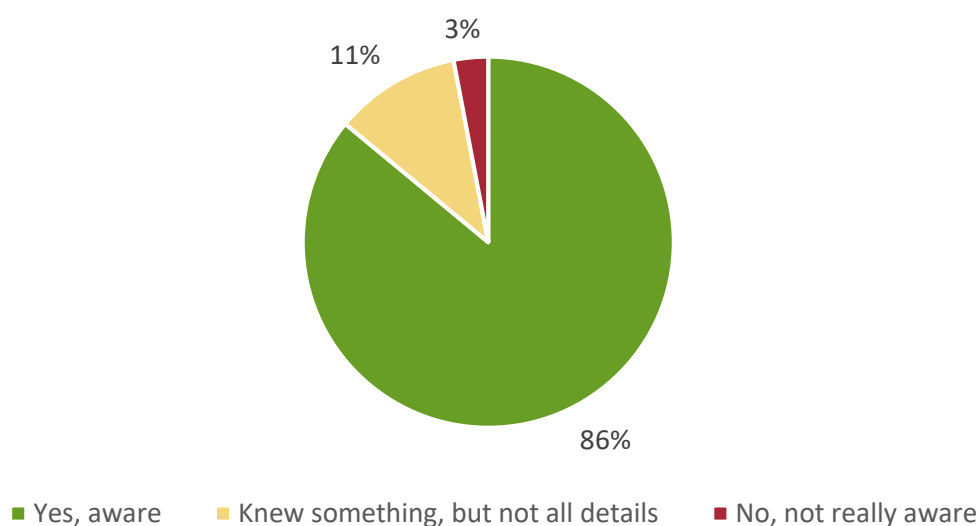
Main findings (individuals)

Awareness of current local government structures and services provided

Before this consultation, were you aware that Warwickshire County Council and your District Council each provide separate services in your area?

- 3.15 A substantial majority (86%) of individual respondents said that they were aware of the separate Council provisions in their area, whilst only 3% said that they were not aware.
- 3.16 Around 1 in 10 (11%) said that they knew something, but not all of the details.
- 3.17 Perhaps unsurprisingly, awareness was particularly high among individuals who work for a local authority (with 95% of these respondents answering 'yes, aware').

Figure 1: Before this consultation, were you aware that Warwickshire County Council and your District Council each provide separate services in your area? (Individual Responses). Base: 1,592

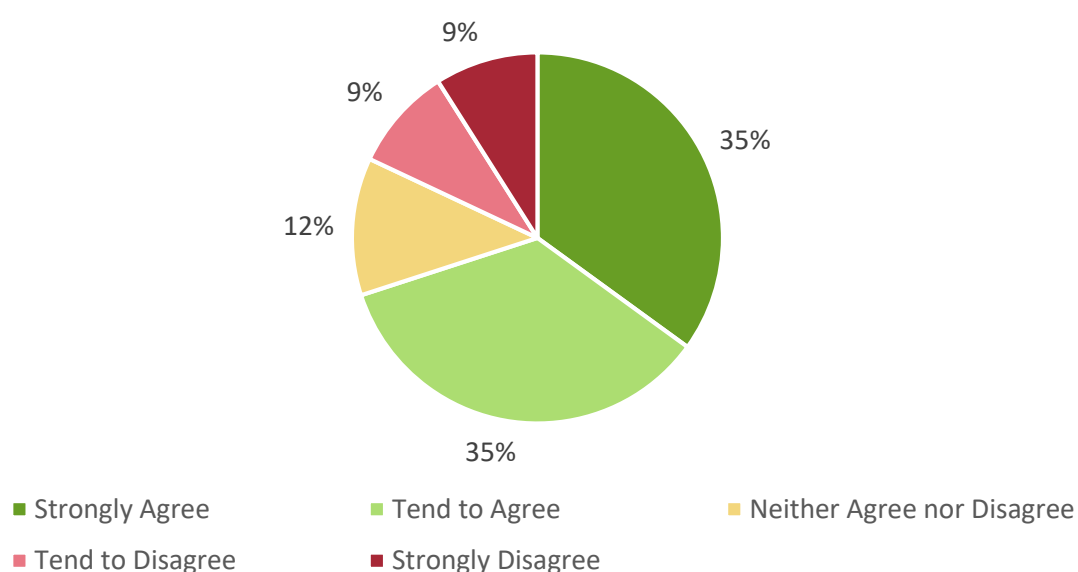


The case for change

To what extent do you agree or disagree that Stratford-on-Avon and Warwick District Councils need to consider changes to respond to these challenges?

- ^{3.18} Seven-in-ten (70%) individual respondents agreed that Stratford-on-Avon and Warwick District Councils need to consider changes to respond to the challenges, while almost a fifth (18%) of individual respondents disagreed.

Figure 2: To what extent do you agree or disagree that Stratford-on-Avon and Warwick District Councils need to consider changes to respond to these challenges? (Individual Responses). Base: 1,581



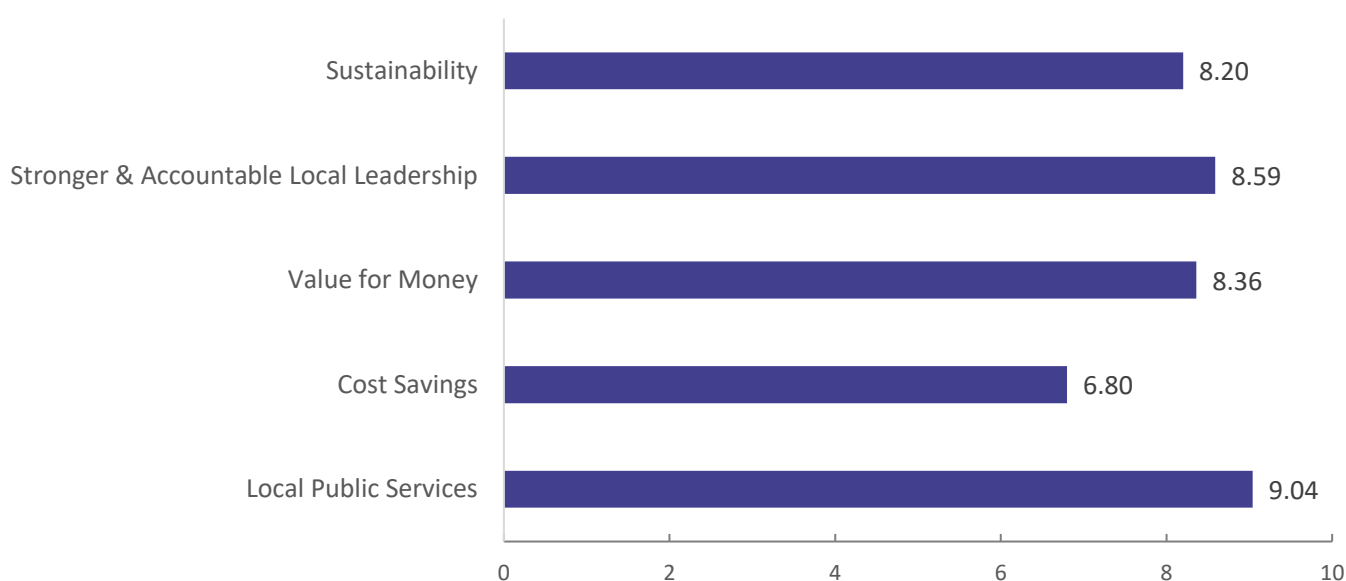
Importance of criteria

Please rate how important you think each of these criteria are using a whole number between 0 and 10, where 10 means that the criteria is critically important and 0 means the criteria is of no importance

- 3.19 Respondents were presented with a list of five criteria that may be important to consider as part of any proposal for change, and were invited to give each one a score out of 10 (with 10 indicating that the criterion is critically important, and 0 indicating that it is of no importance).
- 3.20 Each of the criteria had a mean score of more than six out of ten, showing that individual respondents rated each criterion at least fairly highly. Local public services were rated the highest (9.04); followed by stronger and accountable local leadership (8.59); and then value for money (8.36) and sustainability (8.20).
- 3.21 Cost savings scored somewhat lower than the other criteria, though still achieved a moderately high mean score (6.80).

Figure 3: Please rate how important you think each of these criteria are using a whole number between 0 and 10, where 10 means that the criteria is critically important and 0 means the criteria is of no importance (Individual Responses)

Base: 1,547

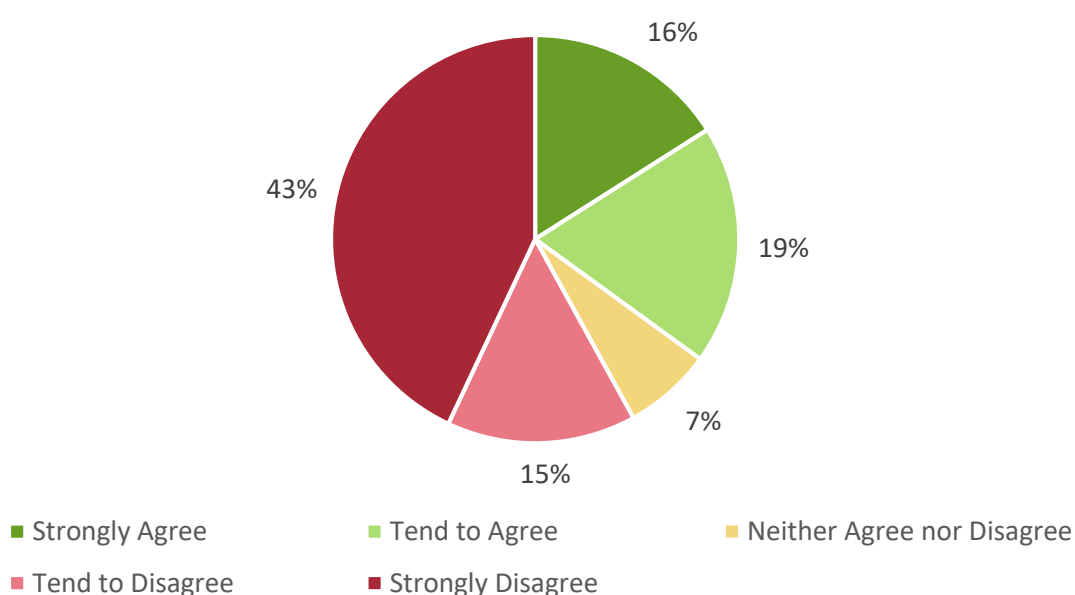


The proposal to merge Stratford-on-Avon and Warwick District Councils

To what extent do you agree or disagree with the proposal to replace Stratford-on-Avon and Warwick District Councils with one new council to provide all district council services across South Warwickshire?

- 3.22 Around a third (35%) of individual respondents agreed with the proposal that the District Councils should merge, while over half (58%) disagreed.

Figure 4: To what extent do you agree or disagree with the proposal to replace Stratford-on-Avon and Warwick District Councils with one new Council to provide all District Council services across South Warwickshire? (Individual Responses). Base: 1,536



- 3.23 Figure 5 overleaf provides an overview of how the views of individual respondents varied by district, and illustrates there was somewhat more support among questionnaire respondents in Stratford (48% agreeing with the proposal), compared with Warwick (30% agreeing).
- 3.24 Figure 6 overleaf shows levels of agreement by other respondent characteristics (including demographics, and whether respondents work for a local authority, or as a councillor). It can be seen that more than half (55%) of local authority employees said that they agreed with the proposals.

Figure 5: Views on the proposal by district (base numbers shown in brackets)

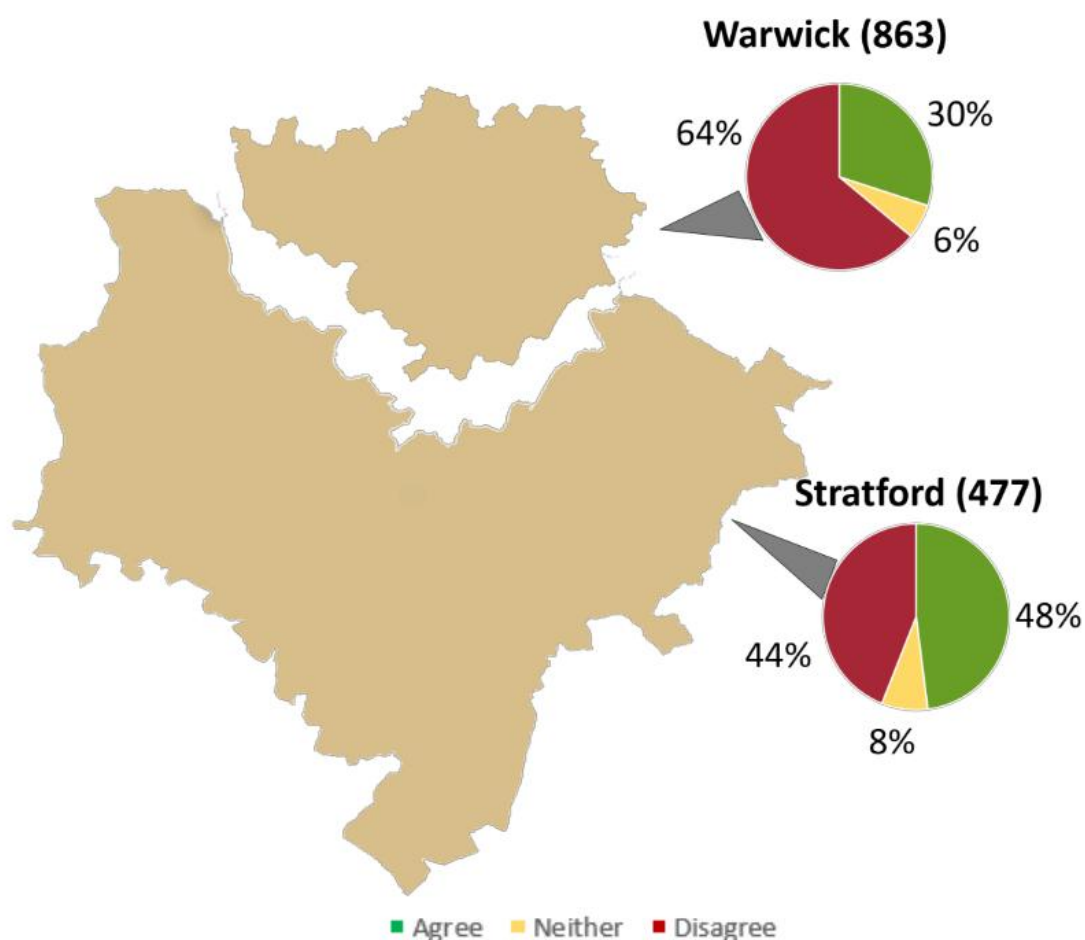
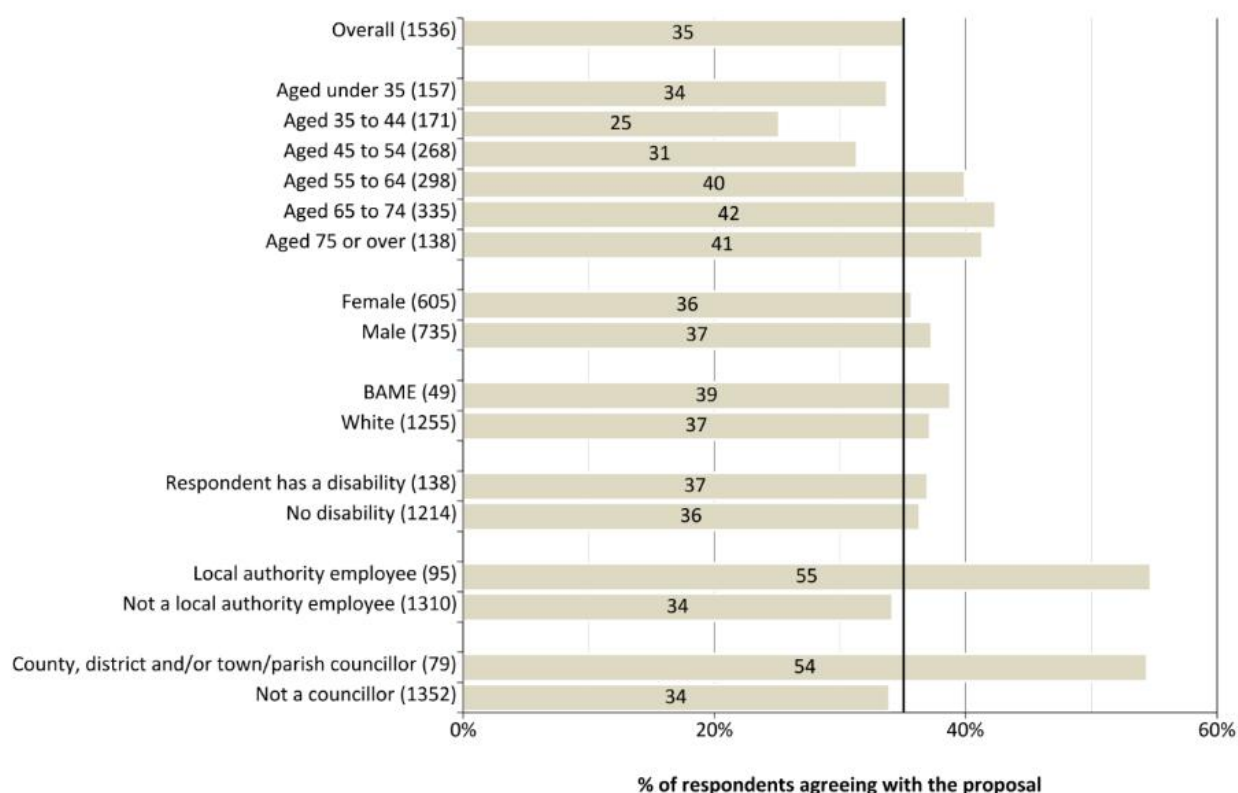


Figure 6: Levels of agreement with the proposal, by other respondent characteristics (base numbers shown in brackets)

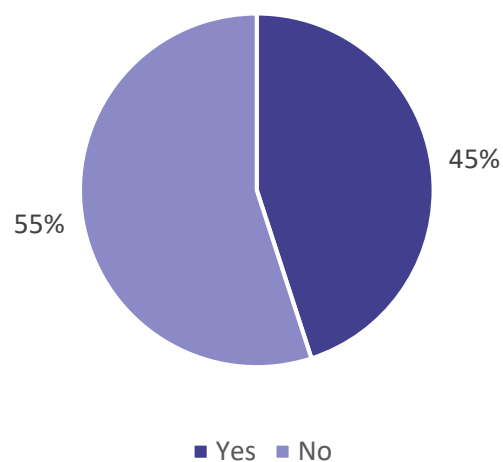


Contact with District Councillors and involvement in decisions

Have you contacted a local district councillor in the last 12 months?

- 3.26 Just under half (45%) of individual respondents said that they had not contacted their local District Councillor in the last twelve months.

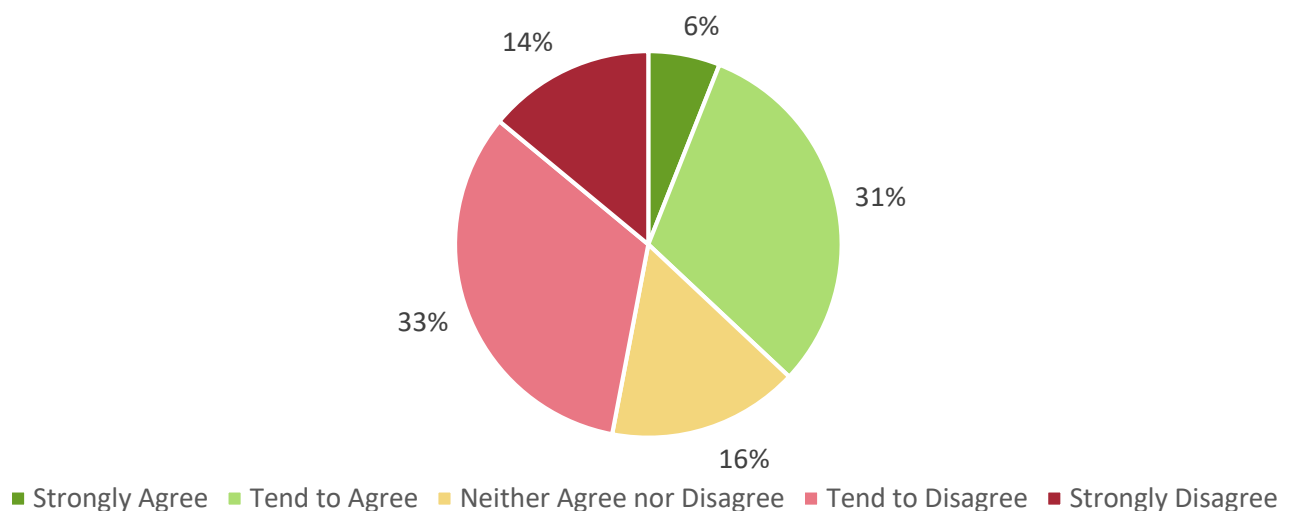
Figure 7: Have you contacted a local District Councillor in the last 12 months? (Individual Responses) Base: 1,520



To what extent do you agree or disagree that you can influence decisions affecting your local area?

- 3.27 Over a third (37%) of individual respondents agreed that they can influence decisions affecting their local area, whereas nearly half (46%) disagreed.

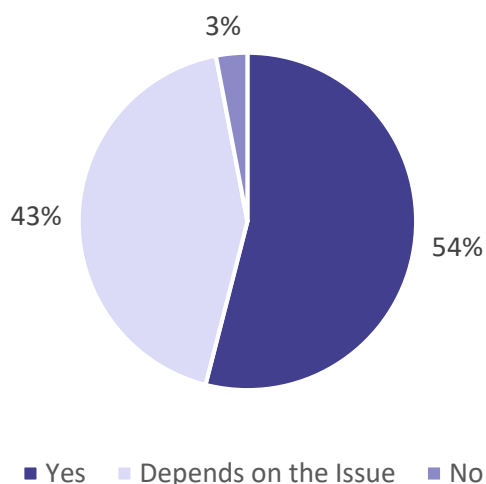
Figure 8: To what extent do you agree or disagree that you can influence decisions affecting your local area? (Individual Responses). Base: 1,582



Generally speaking, would you like to be more involved in the decisions that affect your local area?

- 3.28 Over half (54%) of individual respondents said that they would like to have more involvement in decisions that affect their local area, whilst only 3% would not, and 43% said that it would depend on the issue.

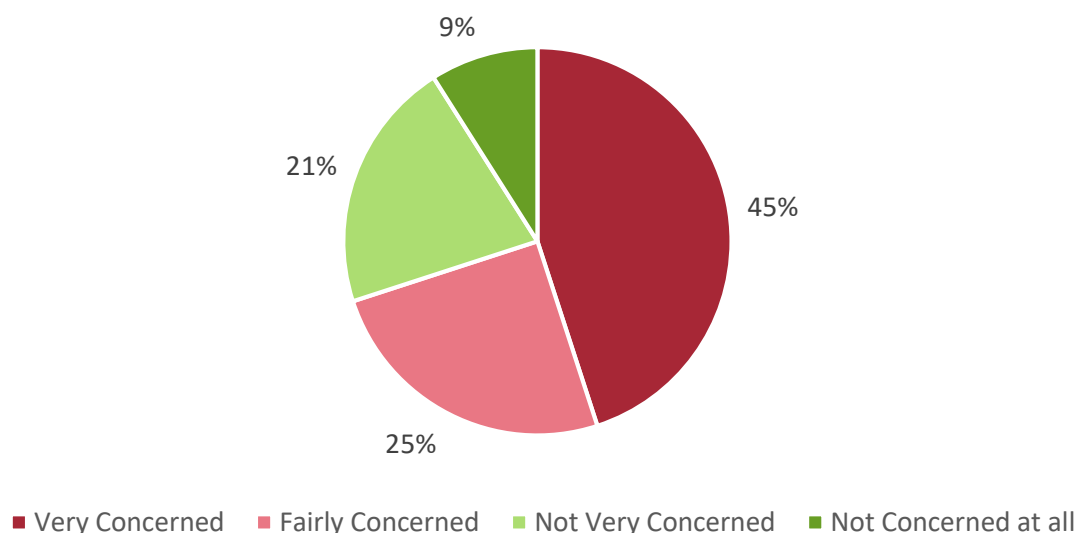
Figure 9: Generally speaking, would you like to be more involved in the decisions that affect your local area? (Individual Responses). Base: 1,513



If a new single council was created, with fewer Councillors overall, how concerned would you be about being able to contact a District Councillor if you had an issue to raise?

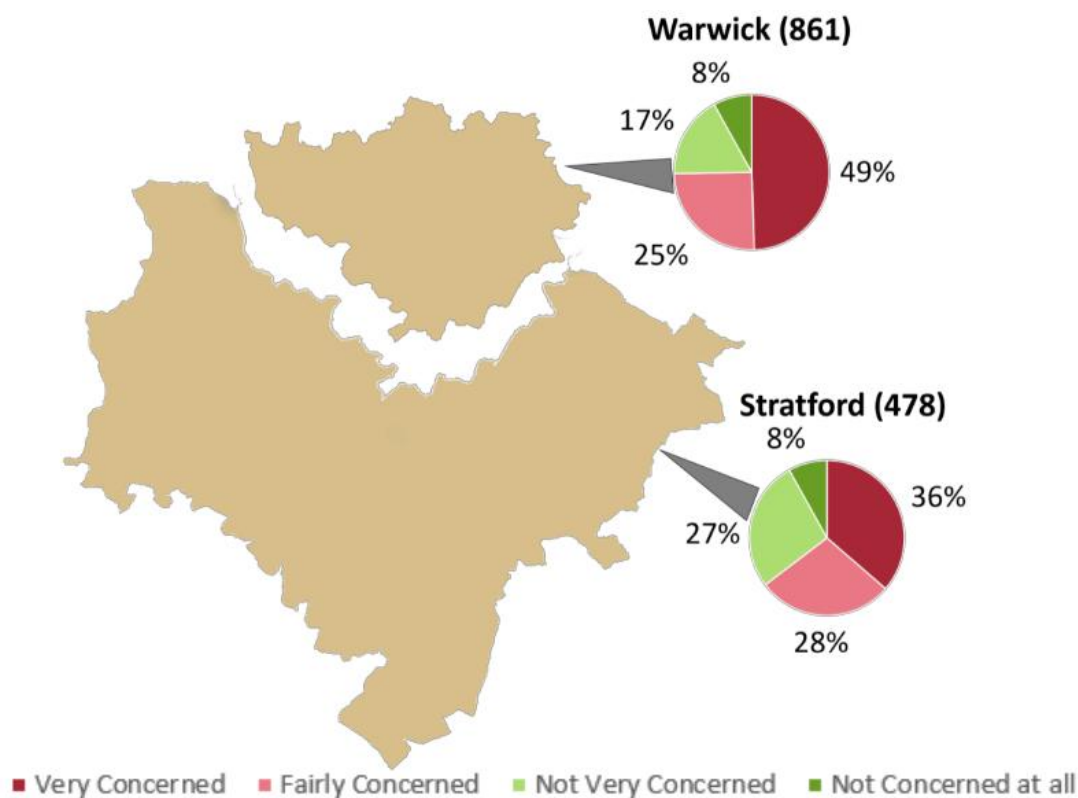
- 3.29 Seven-in-ten (70%) individual respondents said that they would be either very or fairly concerned about being able to contact a District Councillor, in the event of the proposal going ahead. On the other hand, three-in-ten (30%) said that they would be either not very concerned, or not concerned at all.

Figure 10: If a new single council was created, with fewer Councillors overall, how concerned would you be about being able to contact a District Councillor if you had an issue to raise? (Individual Responses). Base: 1,506



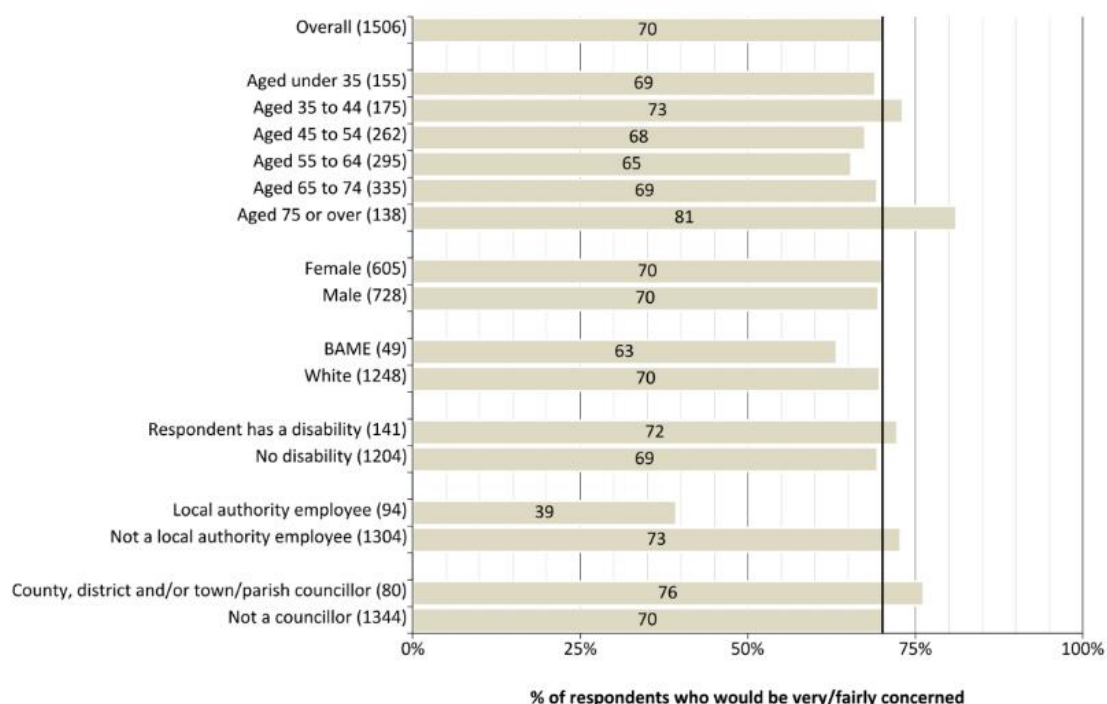
- 3.30 A somewhat higher proportion of respondents from Warwick reported that they would be concerned about contacting a councillor (75%), compared with Stratford-on-Avon (64%) (see Figure 11).

Figure 11: Levels of concern about being able to contact a District Councillor if the proposal was to proceed, by district (base numbers shown in brackets)



- 3.31 Respondents aged 75 or above were somewhat more likely to express concerns about being able to contact a Councillor, compared with other groups (see Figure 12).

Figure 12: Levels of concern about being able to contact a District Councillor if the proposal was to proceed, by other respondent characteristics (base numbers shown in brackets)



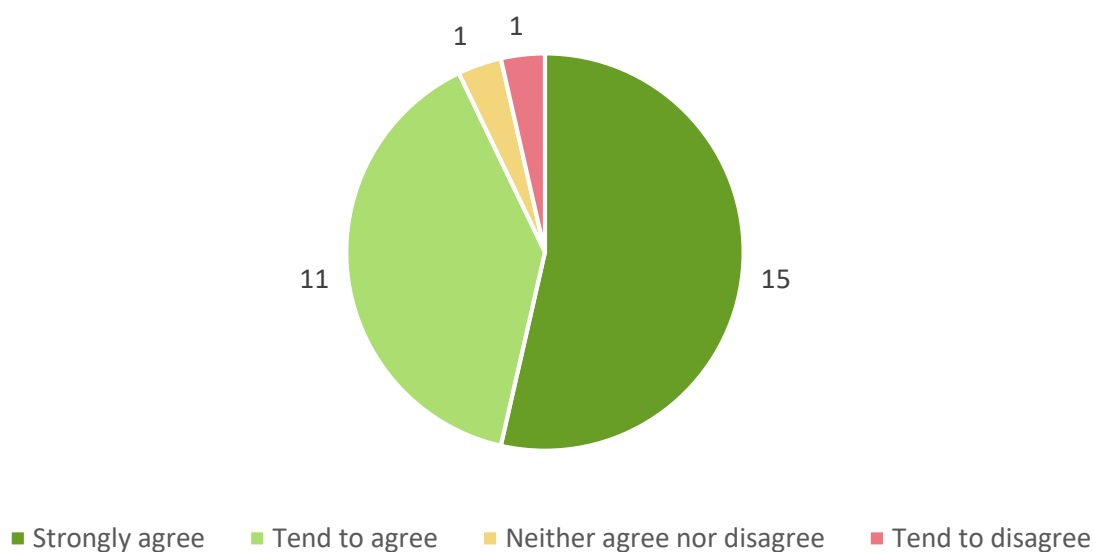
Organisations in the consultation questionnaire

- 3.32 Figures 11, 12 and 13 (below and overleaf) provide a summary of views of organisation and business representatives responding to the consultation questionnaire, around three of the main questions (i.e. views on the case for change, views on the specific proposal for a merger between the two districts, and the extent to which respondents would be concerned about contacting a District Councillor in the event of the proposal going ahead).
- 3.33 The pie charts display counts rather than percentages; this is simply due to the low numbers of organisations responding.

To what extent do you agree or disagree that Stratford-on-Avon and Warwick District Councils need to consider changes to respond to these challenges?

- 3.34 The overwhelming majority of organisations that responded (26 out of 28) said that they agreed that the District Councils need to consider changes to respond to their challenges. Only 1 organisation disagreed.

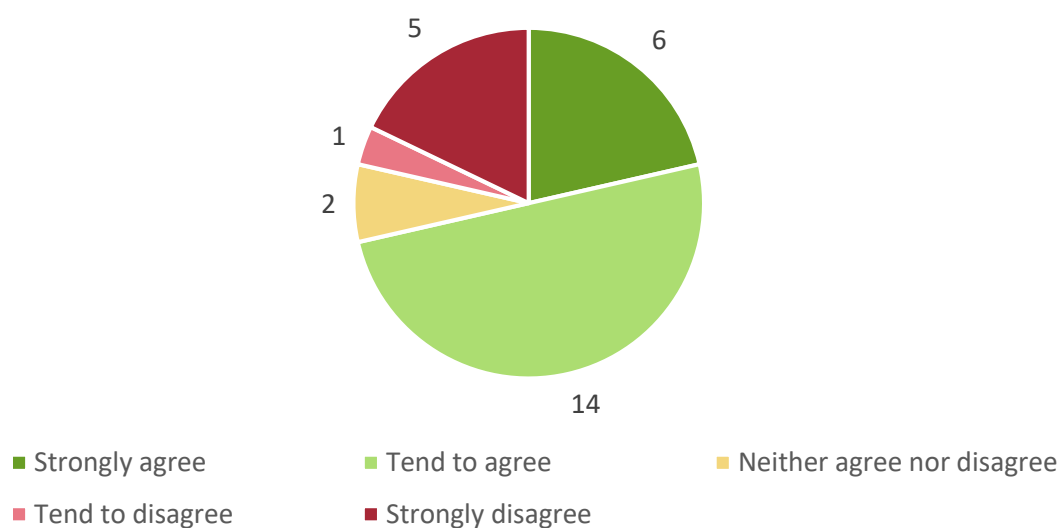
Figure 13: To what extent do you agree or disagree that Stratford-on-Avon and Warwick District Councils need to consider changes to respond to these challenges? (Organisation Responses)



To what extent do you agree or disagree with the proposal to replace Stratford-on-Avon and Warwick District Councils with one new council to provide all district council services across South Warwickshire?

- 3.35 Almost three quarters of organisations that responded (20 out of 28) agreed with the proposals to merge the District Councils. However, 6 of the organisations disagreed (of whom, 5 disagreed strongly).

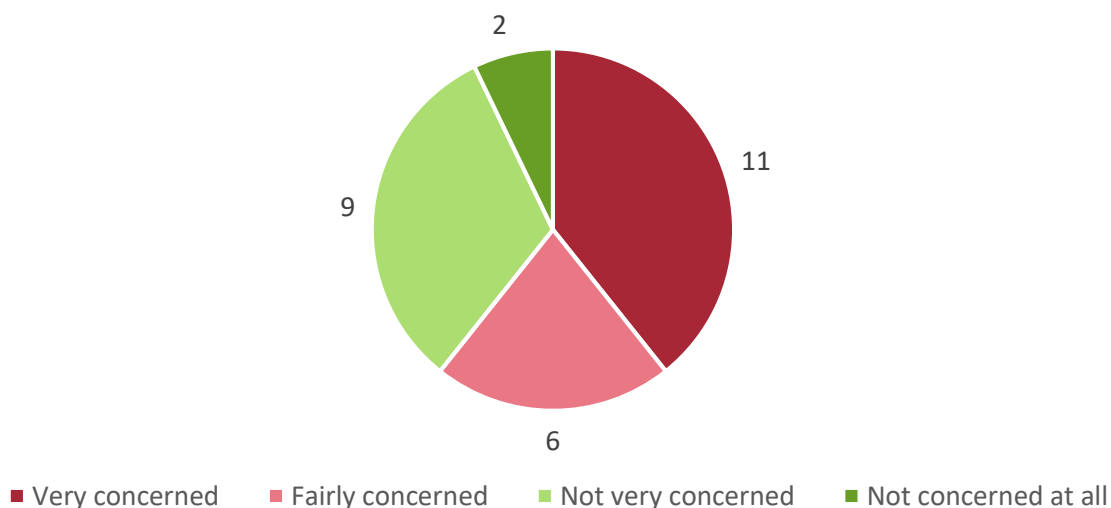
Figure 14: To what extent do you agree or disagree with the proposal to replace Stratford-on-Avon and Warwick District Councils with one new Council to provide all District Council services across South Warwickshire? (Organisation Responses)



If a new single Council was created, with fewer Councillors overall, how concerned would you be about being able to contact a District Councillor if you had an issue to raise?

- 3.36 A majority of the organisations that responded (17 out of 28) indicated that they would be either very or fairly concerned about being able to contact a District Councillor in the event of the proposal going ahead.

Figure 15: If a new single council was created, with fewer Councillors overall, how concerned would you be about being able to contact a District Councillor if you had an issue to raise? (Organisation Responses)



- 3.37 A number of text responses from organisations were in support of the merger: on the basis of similarities and synergies between the areas, improved value for money, and the opportunity to create a more 'powerful' authority with a wider strategic outlook, for addressing issues such as climate change and sustainable development:

It was agreed [at the Council meeting] that the two Councils face shared challenges and the combined area had a credible economic geography. It was noted that many residents live in one council area and work in another. It was hoped that the merger would enable the combined authority to take a leading role within the County. Councillors agreed that it was vital that the merger provided value for money for all residents" (Town/Parish Council response)

"Clearly the impending financial crisis facing the two Councils needs dealing with and the 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 should be able 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 response)

"A combined South Warwickshire DISTRICT Council, if managed properly, would have extra capacity to deliver services more economically and provide a proper balance to the ambit of Warwickshire County Council" (Town/Parish Council response)

- 3.38 However, many organisations voiced reservations about the merger, with one response called for all other options to be considered and consulted upon to the same degree as the current proposal. There was some scepticism about the extent of any savings or efficiencies that might be achieved. One Parish Council supported the proposal but did so only grudgingly (i.e. as the 'least worst' option in the face of the challenges); another was neutral:

"Yes, we agree that these are matters that need to be addressed, but there are other options that may or may not be better - it would be better if all of the options were discussed in the same consultation in the round. Any Consultation should be followed by a referendum held in both current districts... We would be concerned that a reduction in the number of councillors would reduce local accountability and access to elected representatives. We also think that the concept of potentially having to build/lease new offices to hold the 'merged' council staff would be a waste of resources" (Town/Parish Council response)

"The reduction in quality of services from SDC & WCC is a major issue currently and there is concern that services will continue to reduce with the merger ... Overall, we as a Parish will not be voting in favour with enthusiasm but as the best of a number of bad options" (Town/Parish Council response)

We accept that that the merger will generate savings that are required to reduce forecast deficits. We are concerned, however, that (a) these savings will require job losses which will require redundancies, (b) there are further risks and potential disbenefits (clearly outlined in the Deloitte report), and (c) further savings need to be found over and above those arising from the merger. On balance, then, we take the neutral position. (Town/Parish Council response)

- 3.39 Some responses disagreed with the merger because they were concerned that certain types of community (e.g. rural, isolated and/or more deprived areas) would lose out, either because a single District Council being 'remote' and/or because focus would shift to larger, more urban areas.

"Finance and red tape wise, there is value. However, there is such a difference between Nuneaton and rural Stratford villages, how can single priorities and funding be fair?" (Community Outreach Centre)

I am concerned that small and remote parishes... may suffer degradation of services such as planning if the full merger goes ahead. At the moment the planning service that this parish receives from Stratford Council is poor and may become worse under a larger and geographically more distant single council" (Town/Parish Council response)

- 3.40 A couple of responses supported the proposal, but in the context of it functioning as a stepping stone towards a unitary council covering the same area as the proposed new District:

"The districts are naturally congruous with no logical boundary between. There should be improved efficiency and cost-effectiveness. It could be the initial stage in the development of a South Warwickshire unitary authority" (Town/Parish Council response)

"I think that these plans need to go further and create a single Unitary Council for south Warwickshire. WCC is dysfunctional and slow to respond to infrastructure proposals, failing to show a clear vision for the economic requirements of a growing area. We also need a stronger response to the climate emergency. New schools aren't being built fast enough, roads aren't being built fast enough and our rail network is woeful compared to other areas of the West Midlands. A new South Warwickshire Unitary Council, as part of the West Midlands Combined Authority would give us real local muscle to get things done, being both big enough yet still very much local. South Warwickshire has a clear sense of identity and place, unlike the whole of the county. (Local business response)

- 3.41 It should also be noted that a response was received on behalf of senior stakeholders at Warwickshire Police, including the Chief Officer Group. While this response did not state an outright position vis-à-vis the proposal, it stressed the organisation's willingness to engage and collaborate with any new authority that might end up being put in place:

Of primary importance to Warwickshire Police is our ability to continue to build upon and strengthen our partnership arrangements with whatever new structures are put in place, with the ultimate aim of maximizing the protection from crime and harm for the communities of South Warwickshire. Partnership working can be challenging and complex, so we would be keen that any changes enhance that partnership landscape and in the fullness of time we would be keen to know the detail of any changes and map those across to our own operating structures and processes, to ensure we can optimize those partnership arrangements. In terms of Community Safety Partnerships, strong relationships, structures and working practices already exists and we would be keen to maintain and strengthen those approaches moving forwards. (Corporate response from Warwickshire Police)

- 3.42 One concern was expressed around whether the views of those without internet access had been considered as part of the consultation.
- 3.43 The views of Shakespeare's England are covered in detail in the written submissions chapter, so have not been repeated here.

Other open-ended comments in the consultation questionnaire (all respondents)

- 3.44 Table 6 overleaf summarises the comments given by respondents when asked for provide a reason for their view on the proposal.
- 3.45 Table 7 summarises the comments made in response to a second open-ended question asking respondents to provide any further comments, for example, about alternatives, equalities impacts, or anything else related to the proposal.
- 3.46 In general, similar themes were broached across both questions. A proportion of respondents used the question(s) to express approval for the proposal, e.g. on the basis of offering an opportunity for savings and efficiencies. However, numerous concerns were also expressed, for example around: a reduction in local democracy and accountability; reduced representation due to the proposed change in councillor numbers; scepticism about whether the proposal will save money, or may actually increase costs; services being reduced and/or moving further away or becoming less accessible; and the difficulties associated with reconciling the needs of different types of area within a single authority (e.g. due to differences in demographics, prosperity/deprivation, rural/urban nature, and political affiliations, and so on).
- 3.47 There were also some concerns about the transition process, job losses (due to redundancies), a Conservative political 'power grab', and a fair allocation of funding and resources (e.g. some suspected that one area might end up subsidising the other, such that some residents could end up paying more for a lesser service). Some sensed that the two Districts actually had more in common with other neighbouring authorities than they did with each other.
- 3.48 A few respondents suggested alternatives: some were in favour of some form of unitary local government, mainly on the basis of achieving greater savings. Some supported a single council covering the whole of Warwickshire, although some felt the area of the proposed South Warwickshire District would be a suitable basis for a new unitary council, perhaps with a North Warwickshire counterpart.

- 3.49 However, many respondents were in favour of exploring further options for the sharing of services, but stopping short of a full merger.

Table 6: Summary of text comments made in response to the first open-ended question asking respondents to provide reasons for their views on the main proposal. Base: All respondents providing comments (1,369)

Summary of Comments		Number of respondents	%
Positive Comments	Saves money/cuts down on duplicate services/economies of scale	238	17%
	Generally agree with proposal (non-specific)	88	6%
	Similarities between the districts/councils make this a sensible proposal	35	3%
	Proposal will ensure local accountability	21	2%
	The benefits of the proposal that have been outlined make this a good idea	18	1%
Concerns About the Proposals	Need to keep local identity and representation; different areas have different needs; merging will leave both areas worse off	332	24%
	Concern/opposition to change; proposal undermines local democracy and accountability/less direct involvement for public/more disenfranchisement	206	15%
	Fewer councillors/offices means less representation and accessibility for everyone	137	10%
	This isn't cost effective/ a waste of money; this will increase costs to the public	114	8%
	Need to keep local identity and representation; different areas have different needs; merging will leave both areas worse off	67	5%
	Smaller councils are better able to deal with local issues/bigger is not always better	65	5%
	Proposal will make it harder and more time consuming to access services/loss of accessibility; need to make sure services are maintained for everyone	57	4%
	Proposals are politically motivated e.g. Tory 'power grab'	53	4%
	Concern about differing political representation in different areas/difficult to merge areas with different political affiliations	41	3%
	Worries about job losses from merger i.e. redundancies	35	3%
	Generally disagree with proposal (non-specific)	28	2%
	Previous attempts have failed/won't improve/work	26	2%
	The two councils work very differently and will not merge well	24	2%
	Funding will not be divided fairly between areas e.g. rural, urban, tourist etc.	21	2%
	Areas are not well matched - have closer ties with other neighbouring councils or areas - e.g. Stratford with Cotswolds (rural), Warwick with Coventry (urban)	18	1%
	Warwick will lose out/will end up subsidising Stratford/More money will be spent in Stratford	14	1%
	Stratford will lose out/will end up subsidising Warwick; more money will be spent in Warwick areas	14	1%
	Merging district councils will cause confusion/won't be well organised.	14	1%
	Concerns about lack of representation/voice of vulnerable people/lack of I.T access	12	1%
	This is just a money saving/making scheme	3	*
	This is a land/power grab/asset strip/vanity project	1	*
Alternatives	Should have a unitary council for the whole of Warwickshire	77	6%
	Share services/more collaboration without merging completely	27	2%
	Should have a unitary council for South Warwickshire	17	1%
	Other alternative/suggestion	40	3%
	Not enough information provided	40	3%

Criticism of the consultation	Questionnaire is flawed/biased/has leading questions	13	1%
	Minds are already made up/consultation is just a 'tick box' exercise	11	1%
	This consultation is a waste of money/Money is better spent elsewhere	3	*
	Other criticism of consultation	5	1%
Other	Need more information to decide/need to be kept informed	42	3%
	Savings can be made without merger	38	3%
	There should be a referendum/should be put to a vote or Citizens' Assembly	26	2%
	Keep as it is/don't see the need for change	23	2%
	Negative view of Warwick District Council	22	2%
	Negative view of Stratford-on-Avon District Council	18	1%
	Need more funding from central government	17	1%
	COVID-related comment	14	1%
	Equalities-related comment	13	1%
	More online services and use of modern technology would be beneficial	7	1%
	Warwickshire is likely to become a unitary authority anyway	3	*
	Other	55	4%

Table 7: Summary of text comments made in response to the second open-ended question asking respondents to provide any further comments, for example, about alternatives, equalities impacts, or anything else related to the proposal. Base: All respondents providing comments (872)

Summary of Comments		Number of respondents	%
Positive Comments	Generally agree with proposal (non-specific)	35	4%
	Saves money/cuts down on duplicate services/economies of scale	19	2%
	The benefits of the proposal that have been outlined make this a good idea	10	1%
	Proposal will ensure local accountability	6	1%
Concerns About the Proposals	Need to keep local identity and representation; different areas have different needs; merging will leave both areas worse off	88	10%
	Concern/opposition to change; proposal undermines local democracy and accountability/less direct involvement for public/more disenfranchisement	70	8%
	Fewer councillors/offices means less representation and accessibility for everyone	64	7%
	This isn't cost effective/ a waste of money; this will increase costs to the public	50	6%
	Smaller councils are better able to deal with local issues/bigger is not always better	29	3%
	Proposal will make it harder and more time consuming to access services/loss of accessibility; need to make sure services are maintained for everyone	25	3%
	Generally disagree with proposal (non-specific)	24	3%
	May lead to a loss of service/service reductions	21	2%
	Worries about refuse/bin collection - increased cost/inferior service	19	2%
	This is just a money saving/making scheme	15	2%
	Concerns about lack of representation/voice of vulnerable people/lack of I.T access	15	2%
	Worries about job losses from merger i.e. redundancies	14	2%
	Proposals are politically motivated e.g. Tory 'power grab'	14	2%
	Concern about differing political representation in different areas/difficult to merge areas with different political affiliations	12	1%
	Areas are not well matched - have closer ties with other neighbouring councils or areas - e.g. Stratford with Cotswolds (rural), Warwick with Coventry (urban)	10	1%

	Funding will not be divided fairly between areas e.g. rural, urban, tourist etc.	9	1%
	The two councils work very differently and will not merge well	8	1%
	Previous attempts have failed/won't improve/work	7	1%
	Warwick will lose out/will end up subsidising Stratford/More money will be spent in Stratford	4	*
	Stratford will lose out/will end up subsidising Warwick; more money will be spent in Warwick areas	4	*
	Merging district councils will cause confusion/won't be well organised.	3	*
Alternatives	Should have a unitary council for the whole of Warwickshire	91	10%
	Share services/more collaboration without merging completely	88	10%
	Find alternative ways of saving money/streamlining/better options available	70	8%
	Should have a unitary council for South Warwickshire	6	1%
	Other alternative/suggestion	89	10%
Criticism of the consultation	Not enough information provided	27	3%
	Minds are already made up/consultation is just a 'tick box' exercise	20	2%
	Questionnaire is flawed/biased/has leading questions	11	1%
	Minds are already made up/consultation is just a 'tick box' exercise	11	1%
	This is a land/power grab, asset strip, vanity project etc	7	1%
	This consultation is a waste of money/Money is better spent elsewhere	5	1%
	Other criticism of consultation	23	3%
Other	Keep as it is/don't see the need for change	36	4%
	Need more funding from central government	36	4%
	Need more information to decide/need to be kept informed	31	4%
	There should be a referendum/should be put to a vote or Citizens' Assembly	27	3%
	COVID-related comment	16	2%
	Learn from other councils' experiences of merging or sharing services	10	1%
	Equalities-related comment	10	1%
	Negative view of Warwick District Council	7	1%
	Warwickshire is likely to become a unitary authority anyway	4	*
	More online services and use of modern technology would be beneficial	4	*
	Elections and reviews of current policy will be needed if merger takes place	3	*
	Negative view of Stratford-on-Avon District Council	3	*
	Negative view of Warwickshire County Council	3	*
	Other	128	15%

3.50 As shown in the tables, small numbers of respondents favoured some variation or other alternative. Suggestions included:

Introducing a unitary council(s)/getting rid of District Councils altogether, but with empowered town and parish councils to ensure a suitable local presence;

Greater sharing of services but involving all five Districts (i.e. centralising back-office functions at a county-wide level);

Consideration of mergers with other areas e.g. Coventry, Solihull;

Leaving the District Councils as they are but with the County taking on some additional responsibilities (e.g. waste collection) to alleviate some of their financial burdens;

Fully merging both Districts' staff via the SSA (Shared Staff Arrangement) – the respondent cited the example of Richmond and Wandsworth Councils in London, which utilise such an arrangement while remaining separate authorities;

Having both councils work out of same building with shared administrative staff, but continuing as separate entities;

Having a single unitary for Warwickshire but with Area Committees based on the existing Districts;

Merging nearly all functions, but keeping planning devolved at the Stratford/Warwick District level as this is most likely to be locally contentious;

Undertaking a full restructure of the existing councils before considering a merger;

Considering more radical, regional-level change e.g. West Midlands regional assembly/'parliament'.

- 3.51 Specific suggestions for the ways in which the districts might be able to raise revenue or make further savings (i.e. as ways to potentially avoid to merger) included:

Recalculating council tax bands (with claims that these are 'out of date' etc) and/or increasing council tax for the highest banded properties;

Making sure the longer-term Covid impact has been factored into considerations: e.g. considering whether there is now less of a need for to have as many council buildings over the longer term due to home working etc;

Finding new suppliers of services to deliver at a more reasonable price; introducing competitive tender processes, with the two councils working jointly together to negotiate better deals, etc;

Reducing wards and councillor numbers within the existing Councils;

Introducing 'profit ceilings'/windfall tax for council suppliers;

Introducing a local/visitor tax to raise money;

Using unpaid volunteers to help deliver some services.

- 3.52 If a merger is to go ahead, then it was suggested that that the following be considered:

Giving an enhanced role to parish and town councils;

Ensuring the new authority joins the West Midlands Combined Authority;

Establishing a working committee with involvement from residents, with the powers to shape any reorganisation;

Having residents' 'surgeries' in towns/villages so that the council does not feel remote;

Limiting or curtailing the extent of any rebranding exercise (signage etc) in order to maximise savings.

- 3.53 There were a number of comments about potential negative equalities impacts, and/or concerns expressed about how certain groups might be affected. These comments mainly concerned groups such as the elderly, vulnerable and those with disabilities. The main equalities concerns centred around:

Possible loss of access to services, services moving further away etc;

Uncertainty around changes to council tax, and how these might impact those on low incomes, pensioners, etc;

The loss of a 'personal touch' as a result of services becoming more remote;

The impact on those without IT skills or access if services are physically less accessible;

Specific concerns about vulnerable groups in rural areas – e.g. in terms of the bigger towns ‘sucking in’ funding and resources, resulting in fewer improvements being made locally e.g. fewer improvements to infrastructure and access to help those with disabilities etc;

Concerns for those without IT access/skills if services move further away;

Concern about homeless families, e.g. whether they would be expected to accept accommodation across a wider area, and potentially be moved further away from their support network;

Similar concern as above (i.e. for homeless), but in relation to elderly people needing residential care;

Possible impacts on social tenants due to differences between the areas e.g. Warwick having Council housing, but not Stratford;

One concern about whether a merger would lead to delays in planning decisions concerning Gypsy and Traveller sites and thereby disadvantage these groups.

- 3.54 There were general concerns about a reduction in councillors resulting in less of a ‘voice’ for the vulnerable, with the following quotation as an example:

“I have a child with severe learning and physical disabilities and had to access support from my local councillor around issues about which school he was going to attend. I found my local councillor to be extremely knowledgeable on local provision and issues, extremely responsive, and ultimately extremely supportive and helpful. I do not think I would have been able to access the same support, or had the same outcome, from a much bigger and more distant organisation”.

- 3.55 Finally, there was one concern expressed about whether inclusivity/diversity issues will generally be seen as lower priority in a streamlined, cost-cutting climate.

4. Residents' survey

Introduction

- 4.1 The purpose of the telephone survey was to achieve a broadly representative sample of telephone interviews with residents of Stratford-on-Avon and Warwick Districts aged 18 and over. The survey was conducted using a quota sampling approach with targets set on the numbers of interviews required by age, gender, working status and district (more details on these targets is provided below).
- 4.2 ORS targeted 600 interviews (i.e. roughly 300 per District) with residents in September and October 2021, using a Computer Assisted Telephone Interviewing (CATI) methodology, with interviews undertaken by ORS's social research call centre. The survey used primarily random-digit dialling, supplemented by purchased mobile sample.
- 4.3 A short summary of background information was included to be 'read out' for each question within the survey, for the benefit of allowing respondents to answer them from an informed perspective.
- 4.4 In total, ORS undertook 613 interviews between 13th September and 26th October 2021.

Respondent profile

- 4.5 The extent to which results can be generalised from a sample depends on how well the sample represents the population from which it is drawn, as different types of people may be more or less likely to take part. Such 'response bias' is corrected by statistical weighting based on a comparison of the demographic characteristics of the respondents with data for the whole population.
- 4.6 In order to better understand how views differ between areas, roughly equal numbers of interviews were targeted in both of the districts; this was taken into account in the weighting process, to give each district a proportional influence on the overall result relative to the size of its population. The remaining quotas (i.e. those for age, gender, working status) were designed to be representative of the overall population of the districts.
- 4.7 The achieved sample was compared against secondary data⁶ for District, interlocked age and gender, working status, ethnicity, disability and tenure, and subsequently weighted by tenure, interlocked age and gender, working status and ethnic group, before a final District weight was applied. Weights were capped at 5, with the remainder apportioned across all cases. As a result of this process, the survey results should be broadly representative of the overall population of Stratford-on-Avon and Warwick, to within around +/- 5 percentage points.
- 4.8 The table on the following page shows both the unweighted and weighted profile of respondents to the survey, compared with the resident population aged 18+ (i.e. the combined population of the two Districts).

⁶ ONS Mid-Year Population Estimates (2020) for district, age and gender; Annual Population Survey 2020/21 for working status; and 2011 Census for ethnic group, disability and tenure.

Table 8: Residents' survey respondent characteristics

Characteristic	Unweighted count	Unweighted %	Weighted %	Combined Population (18+)
BY AGE				
Aged 18 to 24	21	3%	9%	11%
Aged 25 to 34	74	12%	15%	15%
Aged 35 to 44	122	20%	15%	14%
Aged 45 to 54	112	18%	16%	17%
Aged 55 to 64	117	19%	17%	16%
Aged 65 to 74	102	17%	14%	14%
Aged 75 or over	65	11%	13%	13%
Total valid responses	613	100%	100%	100%
BY GENDER				
Male	259	42%	49%	49%
Female	353	58%	51%	51%
Other ⁷	1	*	*	-
Total valid responses	613	100%	100%	100%
BY WORKING STATUS				
Working	379	62%	67%	66%
Retired	159	26%	25%	25%
Otherwise not working	75	12%	8%	8%
Total valid responses	613	100%	100%	100%
BY HOUSEHOLD TENURE				
Owned with mortgage / Shared ownership	285	49%	37%	38%
Own Outright	203	35%	37%	35%
Social Rent	63	11%	10%	11%
Private Rent	34	6%	16%	16%
Total valid responses	585	100%	100%	100%
<i>Not known</i>	<i>28</i>	-	-	-
BY WHETHER RESPONDENT HAS A DISABILITY OR LIMITING ILLNESS				
Yes, day-to-day activities limited a lot	55	9%	9%	7%
Yes, day-to-day activities limited a little	51	8%	8%	11%
No	496	82%	84%	82%
Total valid responses	602	100%	100%	100%
<i>Not known</i>	<i>11</i>	-	-	-
BY ETHNIC GROUP				
BAME	32	5%	7%	6%
White	566	95%	93%	94%
Total valid responses	598	100%	100%	100%
<i>Not known</i>	<i>15</i>	-	-	-
BY DISTRICT				
Stratford-on-Avon	323	53%	48%	48%
Warwick	290	47%	52%	52%
Total valid responses	613	100%	100%	100%

⁷ NB, as no suitable secondary data is currently available for 'other', population data is based on male/female only.

Interpretation of the data

- 4.9 The results of the residents' survey are presented in a largely graphical format. The pie and bar charts (and other graphics) show the proportions (percentages) of residents making responses. Where possible, the colours of the charts have been standardised with a 'traffic light' system in which:
- » Green shades represent positive responses
 - » Beige and purple/blue shades represent neither positive nor negative responses
 - » Red shades represent negative responses
 - » The bolder shades are used to highlight responses at the 'extremes', for example, strongly agree or strongly disagree
- 4.10 Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of 'don't know' categories, or multiple answers. Throughout the chapter an asterisk (*) denotes any value less than half of one per cent.
- 4.11 The number of valid responses recorded for each question (base size), are reported throughout. As not all respondents answered every question, these base sizes vary between questions. Every response to every question has been taken into consideration.

Main findings

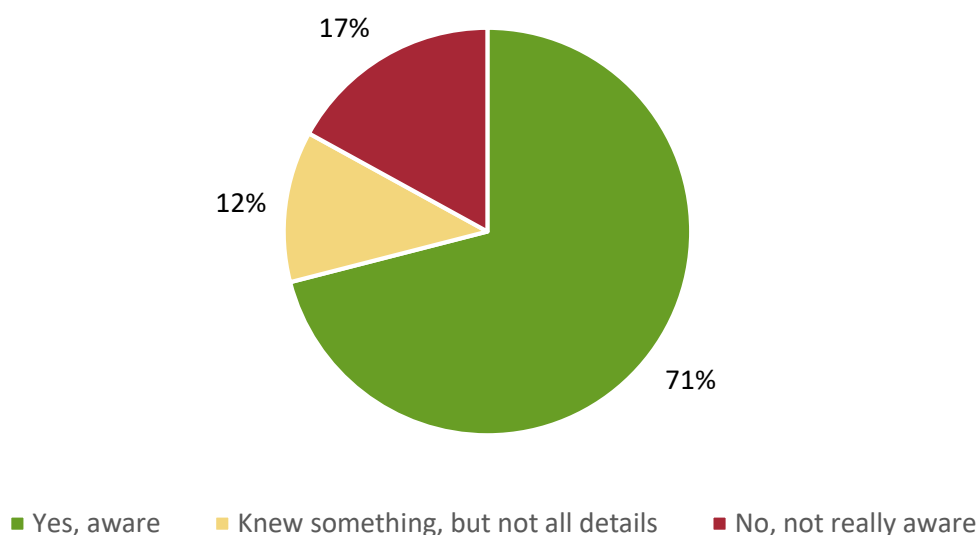
Awareness of current local government structure and services provided

There are currently separate Councils providing services across Warwickshire in a 'three-tier' structure. Warwickshire County Council provides services for residents across the whole of the county, including education, social care for children and adults, and highways. Depending on where you live, Stratford-on-Avon District Council or Warwick District Council, provide local services for residents and businesses in their areas, including housing, planning, refuse and recycling collection, revenues and benefits, parks and open spaces, and leisure services. In addition, the town and parish councils across Stratford-on-Avon and Warwick Districts provide even more local services; these vary slightly between the two areas, but include events, litter, parks, cemeteries, community centres etc.

Before this consultation, were you aware that Warwickshire County Council and your District Council each provide separate services in your area?

- 4.12 Nearly three quarters (71%) of residents claimed that they were aware of the local government structure and service provision across Warwickshire and its separate Districts, whilst just over 1 in 10 (12%) felt that they knew something, but not all of the details.
- 4.13 The remaining 17% of residents said that they were not particularly aware of the local government and service provisions.

Figure 16: Before this consultation, were you aware that Warwickshire County Council and your District Council each provide separate services in your area? Base: 612



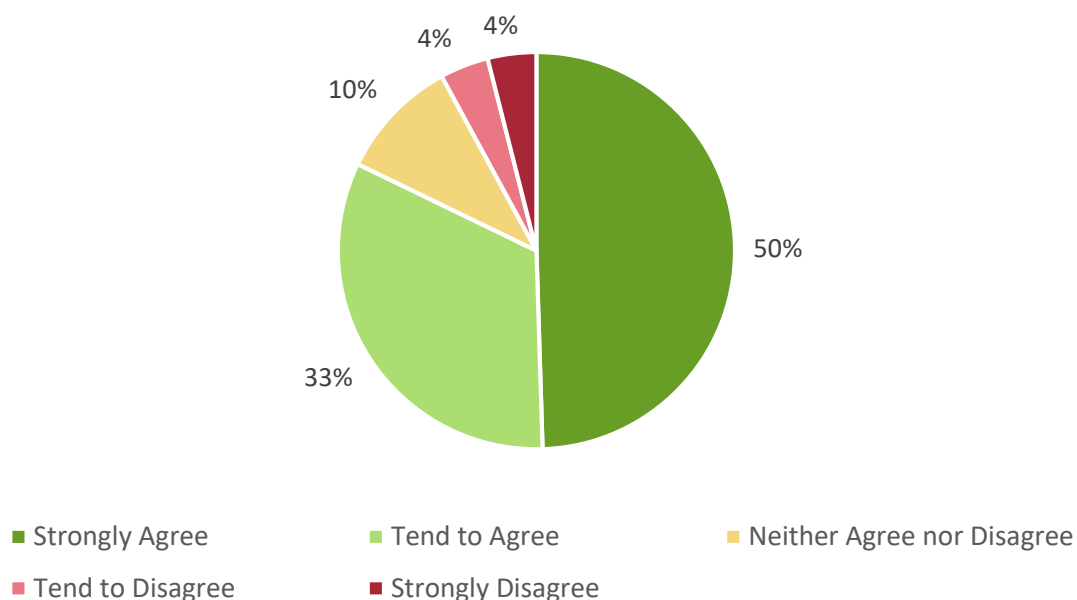
The case for change

Like many other Councils, Stratford-on-Avon and Warwick District Councils are both facing increasing financial pressures on services due to reduced funding from government and increasing costs. Across the two Councils annual savings increasing to around £10m each year will be needed by 2025/26. The Councils also believe there is duplication of back-office and management functions, buildings, and offices.

To what extent do you agree or disagree that Stratford-on-Avon and Warwick District Councils need to consider changes to respond to these challenges?

- 4.14 Over 8 in 10 (82%) residents agreed with the case for change, with half of all residents (50%) strongly agreeing, while fewer than a tenth disagreed (8%).

Figure 17: To what extent do you agree or disagree that Stratford-on-Avon and Warwick District Councils need to consider changes to respond to these challenges? Base: 598



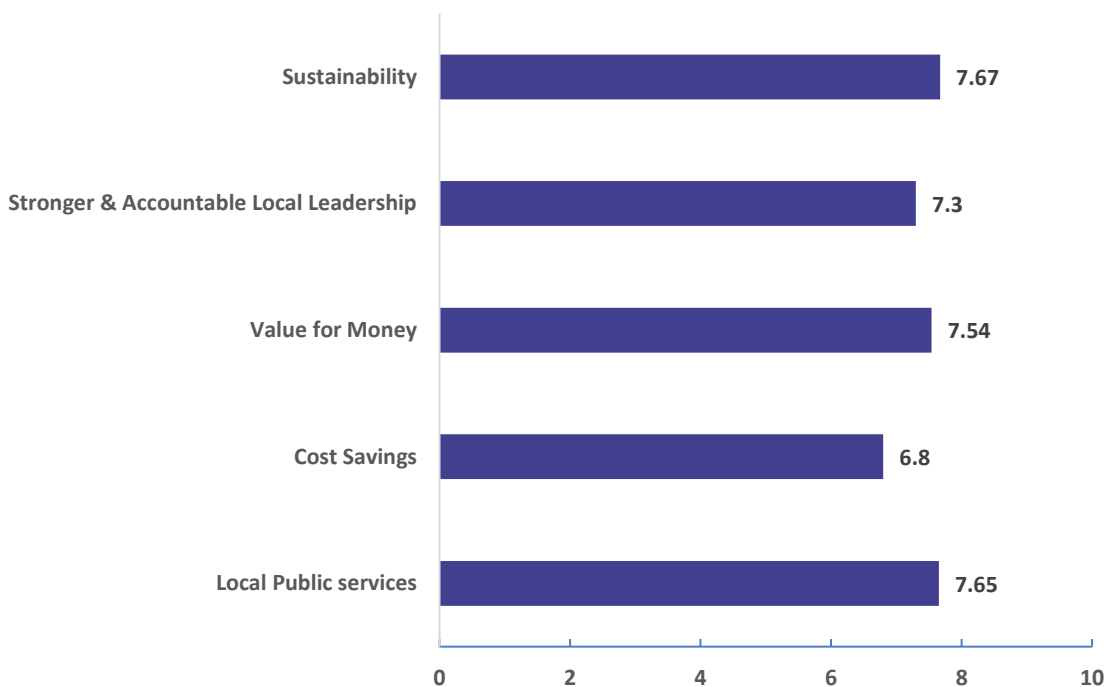
Importance of criteria

Stratford-on-Avon and Warwick District Councils recognise that there are many different criteria to consider when thinking about the future of local government in the area. They believe that it is important for any future arrangements to provide: Local public services, cost savings, value for money, stronger and accountable local leadership, and long-term sustainability of services.

Please rate how important you think each of these criteria are using a whole number between 0 and 10, where “10” means that the criteria is critically important and “0” means the criteria is of no importance.

- 4.15 When asked to score the importance of different criteria between 0 (of no importance) and 10 (critically important), the mean scores were fairly similar, ranging between 6.8 and approximately 7.7.
- 4.16 Sustainability scored the highest (7.67), with local public services being an extremely close second (7.65). Value for money had the third highest average (7.54), followed by stronger and accountable leadership (7.30), with cost savings obtaining the lowest average score (6.8).

Figure 18: Please rate how important you think each of these criteria are using a whole number between 0 and 10, where “10” means that the criteria is critically important and “0” means the criteria is of no importance. Base: 599-611



The proposal to merge Stratford-on-Avon and Warwick District Councils

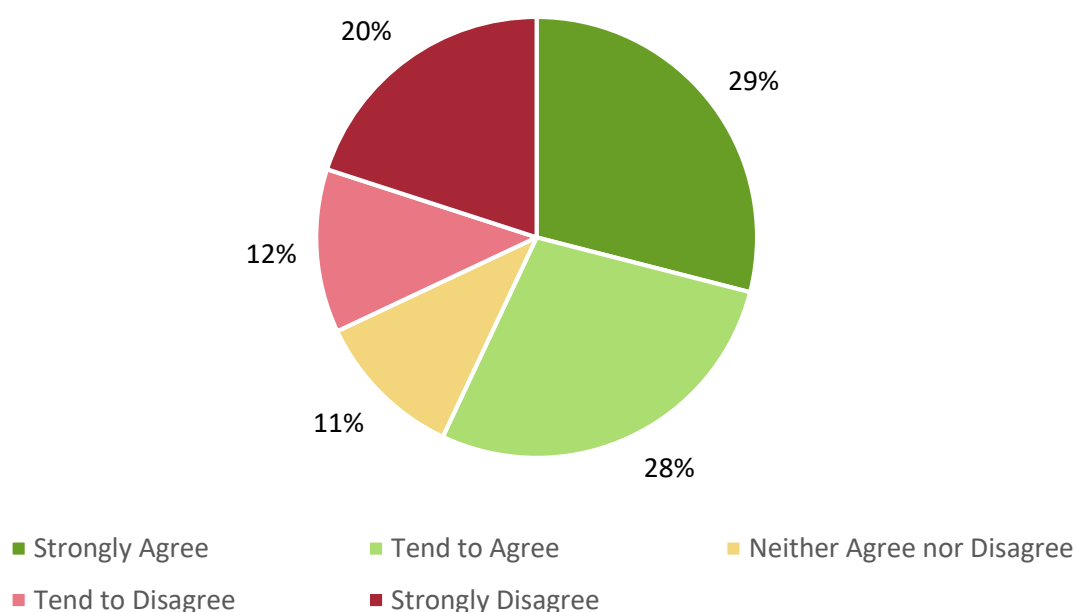
Faced with this financial pressure, and with a determination not to reduce the current level of services, Stratford-on-Avon and Warwick District Councils are therefore considering a proposal to merge, in which case a new district council would be established covering the whole of South Warwickshire (the areas currently covered by Stratford-on-Avon and Warwick District Councils).

The Councils believe there are a number of savings that a full merger would deliver, including through having fewer Councillors, reduced offices and public buildings, reduced costs of managing finances, and having single priorities across a wider area.

To what extent do you agree or disagree with the proposal to replace Stratford-on-Avon and Warwick District Councils with one new council to provide all district council services across South Warwickshire?

- 4.17 Overall, nearly three-in-five residents (57%) either strongly agreed or tended to agree with the proposal. However, nearly a third (31%) of respondents disagreed.

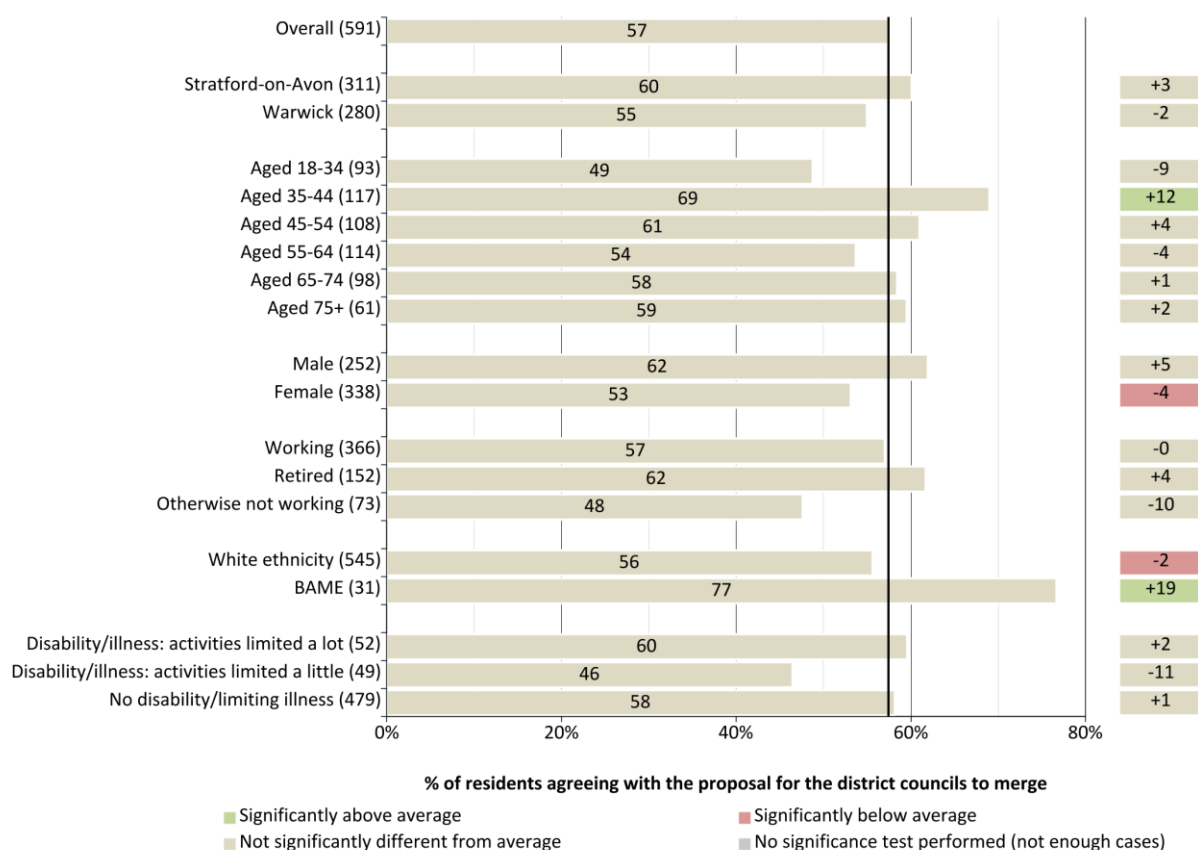
Figure 19: To what extent do you agree or disagree with the proposal to replace Stratford-on-Avon and Warwick District Councils with one new council to provide all District Council services across South Warwickshire? Base: 591



4.18 Figure 20 below shows how levels of agreement with the proposal varied by District and demographic sub-groups (sub-groups significantly more likely to agree, compared with the overall result, are highlighted in green; those significantly less likely to agree compared with the overall result are highlighted red).

4.19 In both Districts, an absolute majority of residents agreed with the proposal (60% in Stratford-on-Avon and 55% in Warwick).

Figure 20: Residents' views on the proposal to replace the existing district councils with a new council, by respondent demographics

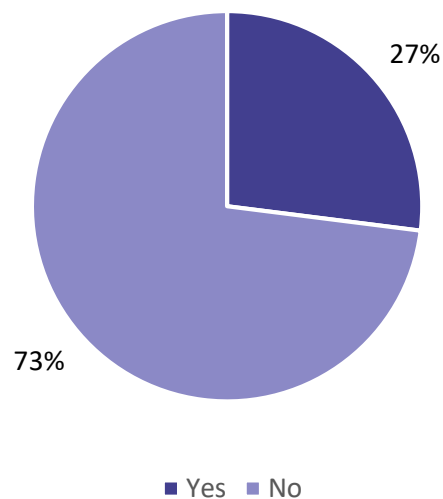


Contact with District Councillors and involvement in decisions

Have you contacted a local district councillor in the last 12 months?

- 4.20 A little over a quarter (27%) of respondents said that they had been in contact with a local District Councillor in the previous 12 months.

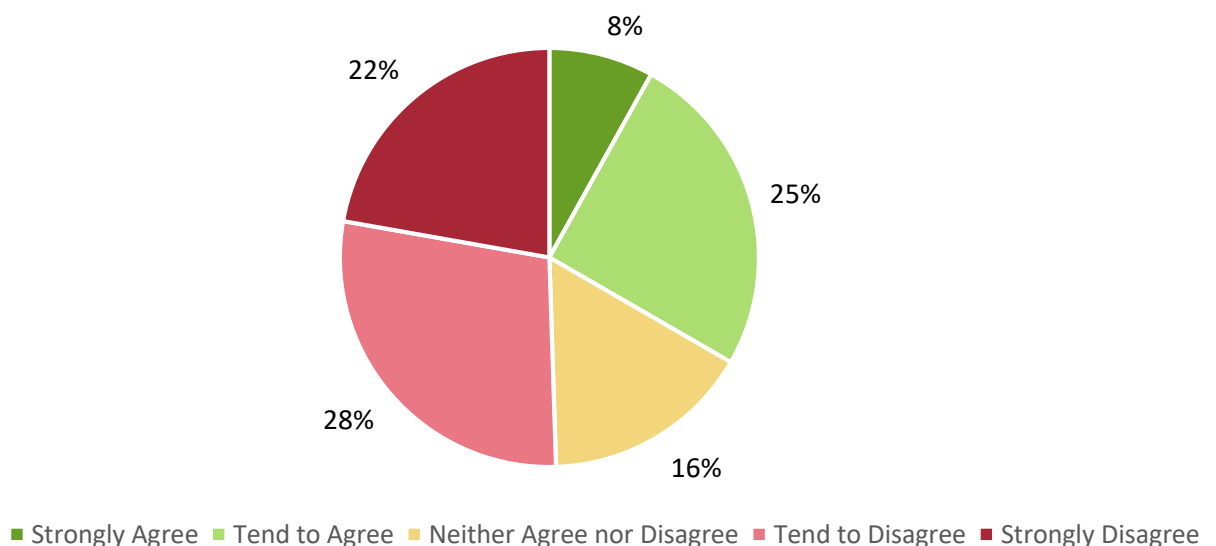
Figure 21: Have you contacted a local District Councillor in the last 12 months? Base: 612



Now thinking about your local area ... To what extent do you agree or disagree that you can influence decisions affecting your local area?

- 4.21 Overall, around a third (34%) of respondents agreed that they can influence decisions affecting their local area, while half (50%) disagreed.

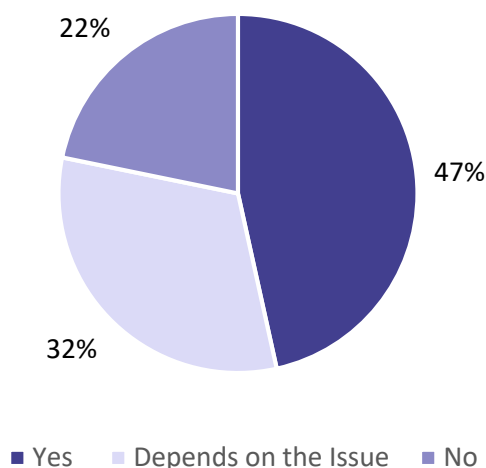
Figure 22: To what extent do you agree or disagree that you can influence decisions affecting your local area? Base: 595



Generally speaking, would you like to be more involved in the decisions that affect your local area?

- 4.22 When asked whether or not they would like to be more involved in the decisions that affect their local area, almost half (47%) of residents said yes, whilst almost a third (32%) said that it would depend on the issue.

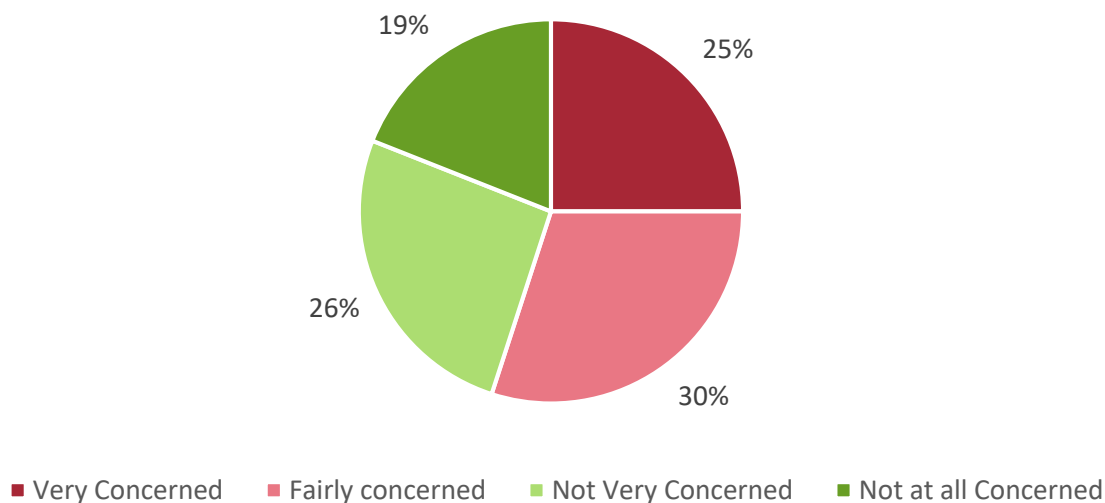
Figure 23: Generally speaking, would you like to be more involved in the decisions that affect your local area? Base: 607



If a new single Council was created, with fewer Councillors overall, how concerned would you be about being able to contact a District Councillor if you had an issue to raise?

- 4.23 Over half (55%) of residents stated that they would be concerned (either very or fairly) about being able to contact a District Councillor in the event of a single council being created. Slightly fewer than half (45%) stated that they would either not be concerned at all, or not be very concerned.

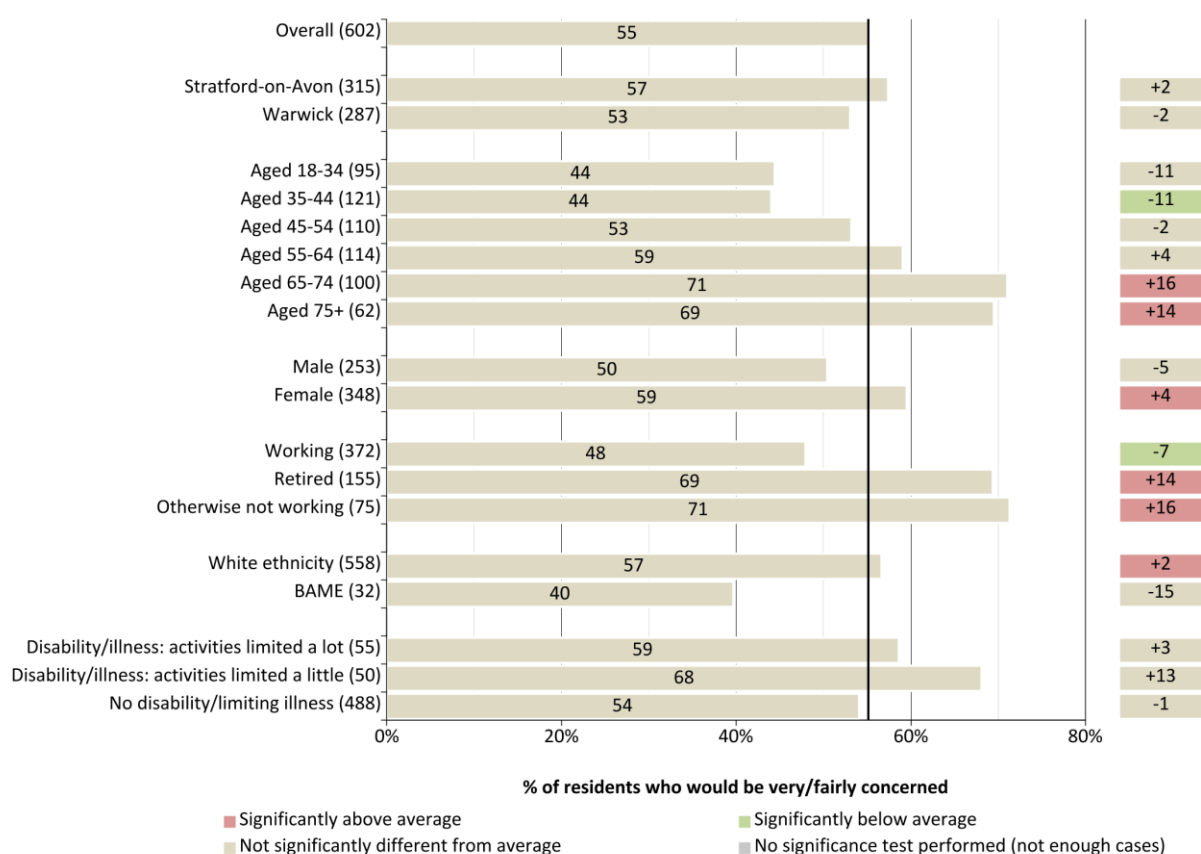
Figure 24: If a new single council was created, with fewer Councillors overall, how concerned would you be about being able to contact a District Councillor if you had an issue to raise? Base: 602



4.24 Figure 25 shows how levels of concern about being able to contact a Councillor (in the event of the District Councils' proposal going ahead) varied by District and demographic sub-groups (sub-groups significantly more likely to be very/fairly concerned, compared with the overall result, are highlighted in red; those significantly less likely to be concerned compared with the overall result are highlighted green).

4.25 Residents in older age groups, and those who are not working (either due to retirement, or for another reason) were among those significantly more likely than average to express a concern.

Figure 25: Residents' levels of concern about being able to contact a District Councillor in the event of the proposal going ahead, by respondent demographics



Text comments in the survey

Please let us know if there are any alternative options that address the identified challenges, any potential equalities impacts, or if you have any other comments relating to the possible merger of District Councils in South Warwickshire.

4.26 Participants in the telephone residents' survey were provided with an opportunity to provide further comments around the proposal. In general, the comments covered very similar themes to those mentioned by respondents to the consultation questionnaire (see Table 6 and Table 7 above).

4.27 Overall, 338 respondents made comments. The main themes (raised by at least 5% of survey residents who commented) were as follows:

Comments expressing general support for the proposal, but without going into much further detail (i.e. 'non-specific' comments) – 16% of those commenting;

Comments agreeing with the suggestion the proposal should save money/cut duplication – 10%;

Comments expressing concerns about fewer Councillors and/or fewer offices as potentially reducing representation and accessibility – 9%;

Comments expressing concern about the need to keep local identity and representation, and about differences between the areas – 8%;

Comments expressing concern that the proposal undermines local democracy and accountability, and would lead to less involvement, greater disenfranchisement etc – 6%;

Comments expressing concern about services becoming more inaccessible – 6%, and/or, services being reduced or lost altogether – also 6%;

Comments expressing concerns about there being less of a 'voice' for the vulnerable, such as elderly people with little or no IT skills/access – 6%;

Concerns that 'bigger is not always better' and smaller councils may be more effective – 5%.

5. Residents' focus groups

Main findings from four focus groups with residents

Introduction

- 5.1 This chapter reports the views from four online focus groups⁸ with members of the public across the Stratford-on-Avon and Warwick District Council areas. The events took place in early October 2021 and 10 people were recruited to each, although a small number did not attend on three evenings.

Table 9: Resident focus groups by area, date, and attendance level

AREA/DATE	NUMBER OF ATTENDEES
Warwick 1 (Tuesday 5 th October)	8
Warwick 2 (Wednesday 6 th October)	8
Stratford-on-Avon 1 (Tuesday 19 th October)	10
Stratford-on-Avon 2 (Wednesday 20 th October)	9

- 5.2 The focus groups were independently facilitated by ORS. Each session had two co-hosts: a main facilitator and a secondary host who was able to observe the session as well as address any technical issues arising from the online format.
- 5.3 The meeting format followed a pre-determined topic guide which allowed space for a general discussion of the key questions under consultation. A series of information slides were shared at set points during the sessions, which ensured that participants had sufficient background information to actively deliberate on the engagement issues.
- 5.4 In order to quantify views on some key questions, a series of 'quick polls' were undertaken during the groups. Responses to these were captured and are reported in this chapter, but it is important to note that this was a qualitative research exercise and the numerical findings from the polls are not statistically valid.

⁸ These meetings were undertaken on Zoom – as this has become a fairly familiar tool for the general public during 2020-21. Participant familiarity with the software varied and, depending on the platform (i.e. laptop, tablet or mobile phone), some participants struggled to take part in the online voting tasks.

Main Findings

Setting the Scene

- 5.5 As an 'ice-breaking' exercise, participants were initially asked to reflect on how attached they felt to their respective district areas.
- 5.6 Most participants in the two Warwick District focus groups said that they felt attached to the area and particularly appreciated the mix of attractive, historic, safe, well-resourced towns set within attractive countryside.

"You can either move a couple miles or whatever and you're in a busy town or go in the opposite direction and you're in rural [areas]. So, you can literally have the best of both worlds" (Warwick)

"This is home, this is where I know. It's a lovely area: nice towns and nice countryside. Yeah, I'm very attached and very happy to live in Warwick district" (Warwick)

"I am by St Nicholas Park ... a lovely area where they have sometimes music in the park and obviously the castle as well, so I do feel very attached to it" (Warwick)

"I like Warwick ... it's got nice buildings, nice shops, nice cafes, places to eat. It's got a little bit of something for everybody ... I'm certainly attached to where I live now" (Warwick)

- 5.7 Several also mentioned ease of connectivity to other areas via the motorway network.

"I quite like living here. It's a really nice town and, you know, you're close to many different motorway networks, and you can get around the country and that. So yeah, in the five or six years I've lived here, I've grown attached to it" (Warwick)

"I feel really connected. I actually work in Oxfordshire, but I like to live in Warwick because of the ease ... I find myself gloating to my colleagues quite a lot about just how much nicer it is up here!" (Warwick)

- 5.8 Only one participant who had lived in the District for two years did not feel attached to the area, explaining this in terms of the anti-social behaviour experienced on their estate.

"We've had robberies, arson, car and house fires ... It's one of the new builds out by Warwick Gateway so I wouldn't say I'm attached. I will be moving within the next five years. When I have kids, I will be moving" (Warwick)

- 5.9 Participants in the Stratford-on-Avon groups mostly felt attached to their area, also citing the attractive town and rurality of the District, the Royal Shakespeare Company (RSC) and activities for families and having family and friends living locally.

"I'm Stratford born and bred. I love Stratford, I feel great attachment to it" (Stratford)

"I've got a lot of friends and family around obviously being here so long, so I do feel attached to Stratford in that way ... I feel that we are very lucky in respect as to what Stratford offers as we've got the RSC, and we have a lot of things on at the weekend that are especially for families" (Stratford)

"I like Shipston. I like Stratford. I like the area. I like the facilities we've got. I like the Cotswold feel we've got, but also the places in Stratford and the facilities we have there ... I do feel quite attached to it. I consider Warwickshire to absolutely be my home" (Stratford)

- 5.10 Two issues of concern were raised by Stratford-on-Avon residents however: the unaffordability of housing, especially for young people; and traffic congestion (which, it was felt, will worsen with increased house building in the area).

"Well, it's a lovely pretty town ... I mean it's a lovely place to live. It's just a bit of a pain getting into town at times because of the traffic and congestion can get really bad around here" (Stratford)

"It's a lovely place ... it's somewhere I'm proud to live ... but I don't think they should be allowed to build another building or have any more events until they fix the roads" (Stratford)

"I just find my main issue is that I'm priced out ... it's more and more expensive" (Stratford)

Awareness of current local government structure in Warwickshire

- 5.11 When asked, only one participant across all four groups knew the exact number of councils in Warwickshire: one County Council and five District Councils. Most acknowledged they were guessing when giving their answers and the numbers suggested varied widely.
- 5.12 At this point a slide was shown to explain the existing structure and provide the names of the various local Councils including the town and parish councils. Participants were asked questions to gather their understanding of the responsibilities of the County, District and parish/town councils. Whilst most were uncertain, a few were confident about the structure and the services provided at each level, either because of having worked in or with local government or having had experience of navigating Council information to source services.

3-tier local government in Warwickshire



+ town/parish councils

110 in Stratford and 35 in Warwick

Many responsible for some local services

Most charge council tax 'precept' (extra to county/district councils, police, Fire and Rescue)

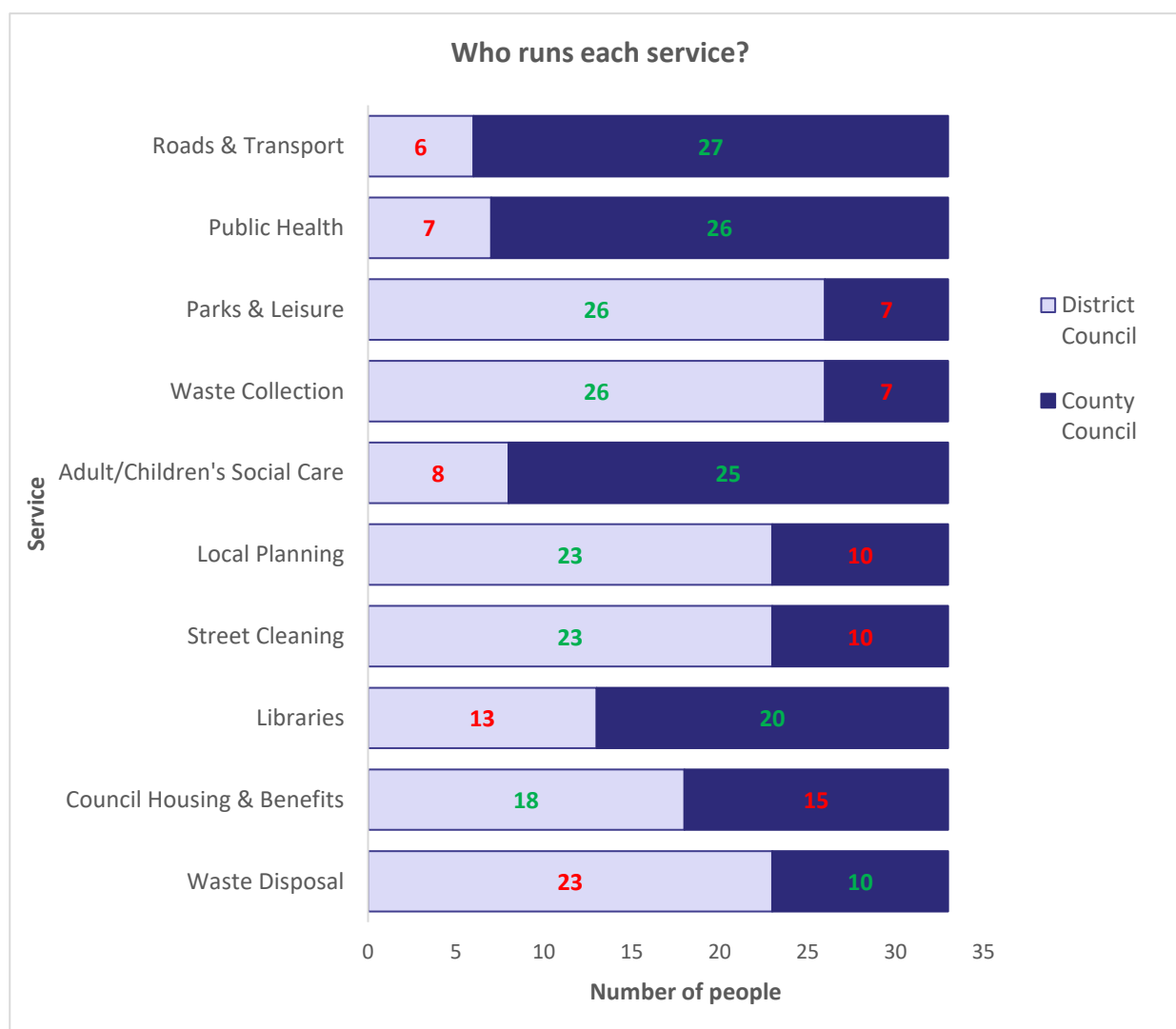
- 5.13 A further slide was then shown to explain the existing structure and the services provided by Warwickshire County Council, Stratford-on-Avon and Warwick District Councils and the town and parish councils. Participants were asked how well-informed they felt about the services provided by particular councils.
- 5.14 There was a mixed response with some feeling that they were fairly well informed and others saying they were not well informed at all.

"I'd say I'm very ill informed because I don't know any of this... not a clue (Warwick)"

"You only need to know something when you need to know it" (Warwick)"

- 5.15 In order to explore the level of awareness in a little more depth, participants were asked to identify which level of government delivers each of 10 different services. Thirty-three people took part in the voting – some had trouble accessing the polls and some chose not to take part. Their answers are shown in Figure 26 below (correct answers are highlighted in green, incorrect ones in red).

Figure 26: Which council provides which service?



- 5.16 This exercise demonstrated that there is clear confusion around the services provided by each council. While there was good awareness that the County Council provides Roads & Transport, Public Health and Adult/Children's Social Care and that district councils provide Waste Collection and Parks & Leisure

services, there was greater division of opinion around responsibility for Libraries and Council Housing & Benefits. The main area of confusion, though, is Waste Disposal, with only 10 of the 33 participants correctly identifying it as a County Council service.

Stratford-on-Avon and Warwick Districts – similar or different?

- 5.17 The presentation continued with another slide showing the similarities between the two District Council areas in terms of their respective budgets, population size and issues of concern. It also highlighted the existing joint working practices already in place between the two Councils. Participants were asked to comment on these slides and particularly about whether the two areas are as similar as stated.
- 5.18 Several similarities were identified in terms of budget and the fact that both areas seem to have a high demographic of older residents.
- 5.19 However, some differences were also highlighted. Some said that Stratford-on-Avon is more ‘spread out’ and rural than Warwick and that although there are, indeed, common challenges, there are also different issues of concern between the two authorities. Public transport and social care needs as a result of different demographics were mentioned in particular.

“From a budget perspective, yes, I’d probably agree, but geographically they are not the same. What I would say also is the issues that affect adult and children’s social care are different ... the needs are different, and the allocation of funds are different. Different populations, absolutely. Different demographics, spread out” (Stratford)

“Stratford is a lot more rural, and the issues tend to be around transport and being able to attend different services ... in Warwick the demographic of the population is much more diverse than the population you tend to find in Stratford. Therefore, the issues that come up are very different as well because you have a different demographic of people” (Stratford)

“On your slides the Councils say they have common challenges, but there’s also these distinct challenges which they don’t seem to have addressed there” (Stratford)

- 5.20 Political and social differences were also mentioned, with Stratford being identified as a consistently Conservative area and one with a wealthier and older population than Warwick, although there does seem to have been some levelling up in terms of prosperity between the two areas over recent times.

“Stratford is quite Tory, whereas Warwick is more Labour or more Liberal” (Stratford)

“Stratford has probably got a higher proportion of millionaires, whereas you go out to Leamington and it’s less so. So, that’s going to have a reflection on the services required” (Stratford)

"In times past, I would have said that Stratford was slightly more affluent than Warwick, but I think Warwick District has caught up to a very similar standard now with a lot of the commerce and industry that's being put into the retail parks around here. There is an awful lot of head offices ... house prices in the Warwick CV34 postcode have come up on a par with the CV37 postcode ... over a period of time Leamington and Warwick have come to catch-up Stratford a little bit" (Warwick)

- 5.21 Some participants said that there is a lot of cross-border travel in terms of residents seeking out leisure and amenities and commuting to schools in both District areas, for instance. However, there was some scepticism about the motives behind the proposals at this stage in the consultation and in particular the apparently simple solutions to the highlighted problems as identified in the presentation.

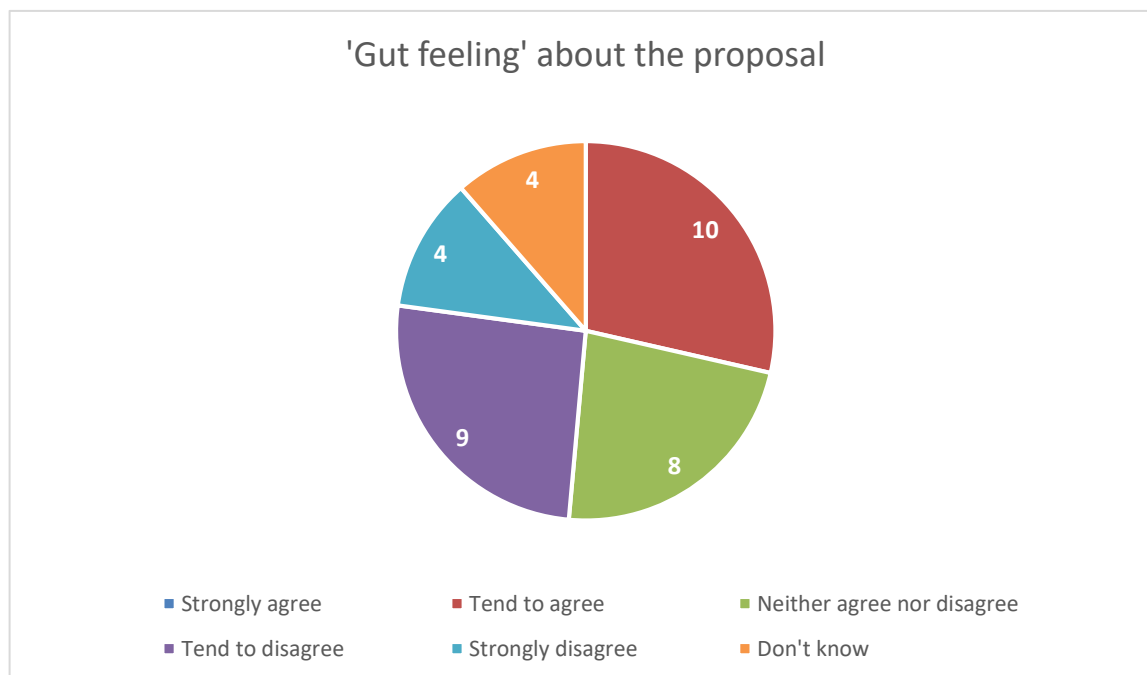
"Some of the information presented is a bit misleading because doing a strategic procurement exercise where the two areas get together and we develop a strategic partnership and there's economies of scale, that's great. But mopping up the demographics of two different areas and assuming they're going to behave the same as 'let's get together to have one person empty the bins', it doesn't work like that ... "
(Warwick)

"It just seems to be like an odd kind of merge if I'm honest. It's not obvious ... I would say Stratford doesn't come in anywhere close to Leamington really" (Warwick)

Initial views on the proposed merger

- 5.22 Before being presented with the case for change, participants were asked for their 'gut feelings' about the proposal to merge the two authorities. None of the participants across the four groups strongly agreed with the proposal but nearly a third (10 of the 35 participants) tended to agree with it. Whilst there was an equal balance between those agreeing and disagreeing in Stratford-on-Avon, twice as many participants from Warwick disagreed with the proposals.
- 5.23 It is also worth noting that 12 participants either chose 'neither agree nor disagree' or 'don't know' at this stage, mainly as they felt they did not have sufficient knowledge to make a judgement.

Figure 27: At this stage, what is your 'gut feeling' about the proposal to replace Stratford-on-Avon and Warwick District Councils with one new Council to provide all district council services across South Warwickshire?



Based on responses from 35 people within the focus group

- 5.24 A few participants explained why they tended to agree with the proposals at this early stage. One highlighted the need to make savings in the aftermath of the COVID-19 pandemic and felt that the proposal is an inevitable consequence of that. Another could see the benefit of reducing duplication, and another agreed on the proviso that any savings would be used to support service improvements.

"As long as we're not trying to combine very different types of area, which I can see posing problems, it seems quite a sensible thing just to get rid of some of these levels of council" (Warwick)

"In theory, the merger would be great if they can then save money and share resources and pool resources - as long as those resources are then used in the correct way. So, for example ... there needs to be more for children and youth services which have been massively cut, and implement better transport systems ... As long as they pool their resources in a way that's best for the communities" (Stratford)

"Primarily it's a money saving exercise ... we're just coming out of a pandemic and money is short and the Councils are having to deliver more for the fixed amounts they're given. So that's why I tend to agree ... it's just inevitable" (Stratford)

- 5.25 Those disagreeing with the proposal typically expressed concern over a greater disconnect between the public and service providers; cuts to services, especially if there are no corresponding efficiency savings made; staff wellbeing (in relation to retained staff having to cover the work of two people); funds being diverted from Stratford-on-Avon in favour of Warwick; and Conservative political dominance.

"I suspect this is motivated by cost saving and will ultimately lead to a bigger disconnect between service users and service providers ... You might save some money, but I think you'll lose a lot of value ... I also wonder about the politics ... I don't know if it would mean that you would just end up with a Conservative leadership all the time" (Warwick)

"I'm sure this will happen: Warwick and Stratford will combine and then in five years' time that super council will combine with another super council. And one day you'll have a Midlands council ... There's going to be more distance between service users and service providers and there's going to be fewer people providing services. But what can you do if the Government are starving local government of funding ...? Nobody should kid themselves that there's going to be any positives from this other than short-term savings ... (Warwick)

"If we've got two people doing the same job and two salaries are being paid, under the current climate then fair enough because in the private sector that's exactly what would happen. But what we don't want to happen is for there to be cuts in services, yet the staff bill remains the same so there's no benefit from the amalgamation" (Warwick)

"You might look at it and say, 'there's a guy in Stratford and one in Warwick doing the same job, so let's sack one and the other can do both'... but then that person is doing more work and you're actually losing a lot of value ..." (Warwick)

"So, what's the purpose of this? Is it just to reduce buildings; is it to reallocate spend to Warwick? It makes sense ... but I do think that in my experience it doesn't tend to work ... and I think you'll find less service provision in Stratford in the future than you currently get now" (Stratford)

- 5.26 One person who voted neither agree or disagree doubted that public opinion in these consultations counted for anything and two participants were unable to express an opinion either way because they felt they as yet had insufficient information about the proposals.

"I've only recently heard about it. I've not heard enough to say that I agree ... I don't feel like there's been enough information put out about it" (Warwick)

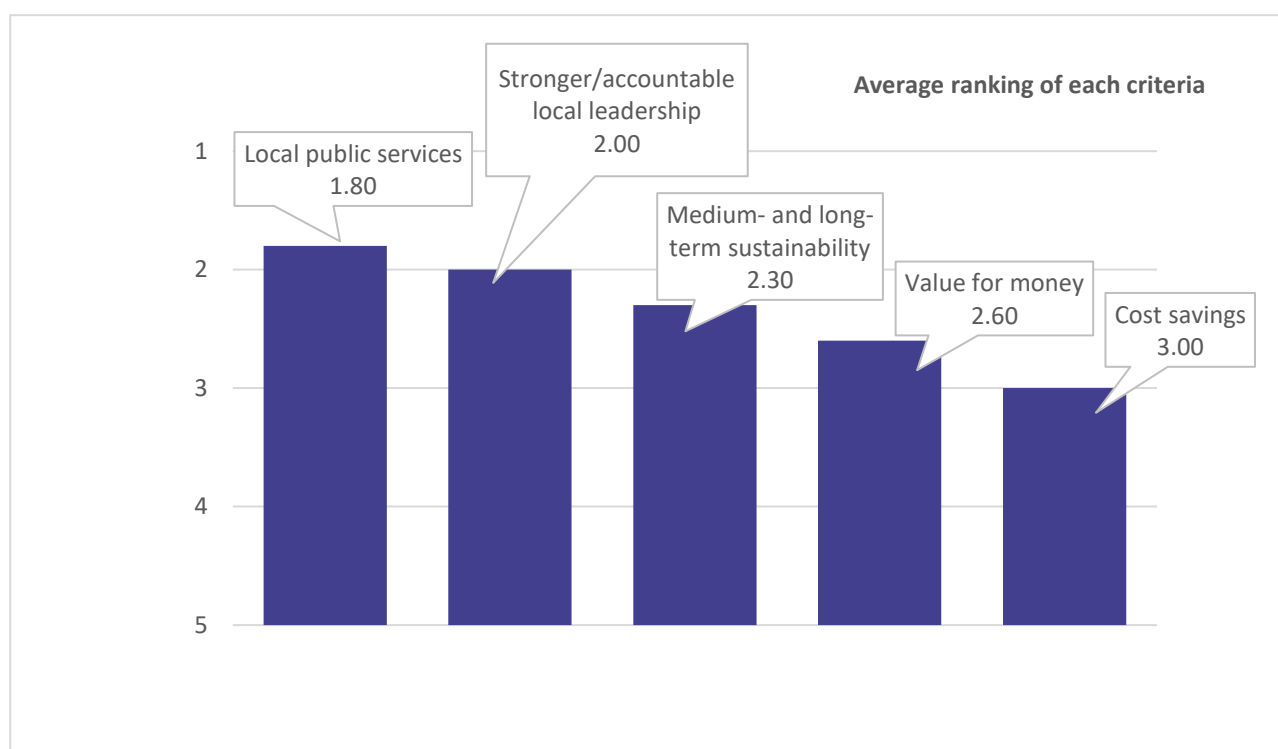
"You can't make an educated decision if you don't know anything ..." (Warwick)

Which criteria are key to evaluating the restructuring options?

- 5.27 Residents were given the following criteria and asked which they considered to be most important.
- *Local public services:* keeping services as local as possible for as many residents as possible
 - *Cost savings:* delivering savings to support the overall council budget
 - *Value for money:* cutting duplication, increasing economies of scale and improving efficiency
 - *Stronger/accountable local leadership:* ensuring residents can/know how to influence decision-making and raise issues with their local councillor, and have a say on how services are delivered
 - *Medium- and long-term sustainability:* ensuring frontline services are sustainable in the medium- and long-term.

- 5.28 Participants were asked to put these five key criteria in order of importance, with one being the most important and five the least important. The average rankings are shown in Figure 28. There was a wide range of ranking scores for all the criteria – which were often being put in first place and fifth place by a similar number of people.
- 5.29 Local public services were most important to residents, with an average rank of 1.8 – and this was closely followed by stronger/accountable local leadership (2), and medium- and long-term sustainability (2.3). The two lower ranked criteria were value for money and cost savings, suggesting perhaps that financial arguments for changing future local government structures to not overly-resonate with local residents.

Figure 28: Average ranking of evaluation criteria



Based on responses from 26 people within focus groups (the poll failed to launch in one of the focus groups)

- 5.30 In a brief discussion on the criteria, a couple of participants remarked on the lack of reference to service quality and possible improvements as a result of the proposed merger.

"Quality of service perhaps should be on there as well ... it's not just all about paying the smallest amount of money out" (Warwick)

"They're not saying what the improvements might be ..." (Stratford)

A new South Warwickshire District Council?

After hearing all the background information, there was some explicit support for the proposed merger

- 5.31 Providing it is implemented in a way that minimises disruption as much as possible, there was some support for the proposed merger on the grounds of safeguarding service provision in the face of financial challenges, reducing duplication, streamlining, and introducing consistency across two broadly similar areas. Some typical comments are below.

"The merger is necessary because the alternatives of not going ahead with it look less appealing frankly. The financial situation is clear for me, and I think yes, it's a necessary step" (Warwick)

"There have been cuts ... the pot has been getting smaller and smaller for local authorities. That will continue to happen ... so local authorities will have to make more and more cuts and have to adapt to different ways to make sure they can still provide the services they are legally required to provide. This is a step in the right direction ... in terms of making a cost saving. IF the figures that are presented are correct ... there are cost savings to be made by getting rid of buildings and infrastructure and amalgamation ... " (Stratford)

"All in all, it shouldn't be too difficult. We are very similar. Services should all be pretty similar. There is no reason why it can't work, and ... by the looks of it, it would solve perhaps some of the bigger problems. To have it all as one consistent plan across the area might be easier for everybody" (Stratford)

"You've described what a sort of mishmash these councils are, and a lot of our money is probably going to duplication and waste that's generated by it. So, as long as we're not trying to combine very different types of area ... it seems quite a sensible thing just to get rid of some of these levels of council" (Warwick)

"I think it needs to be streamlined ... You look at the costings of most councils as opposed to the private sector and it's a lot different ..." (Warwick)

"In the long term, I think it would be a lot better if there is one. It's not the biggest area in the world; it's not the biggest population ... It's very rural and lots of villages. 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 ... I think South Warwickshire is quite similar across the board, similar types of villages, similar types of towns (nice tourist towns) and it would bring it all together ..." (Warwick)

- 5.32 Several participants were keen to stress, though, that their support for the merger was conditional on any savings made as a result of it being used to protect services and benefit communities.

"In theory, the merger would be great if they can save money and pool resources, as long as those resources are then used in the correct way ... in a way that's best for the communities" (Stratford)

There was worry that job losses would lead to poorer service quality

- 5.33 The main concern across the four resident groups was the proposed merger would lead to significant job losses across the two Councils, and reduced service quality and accessibility due to staff having higher workloads and lower morale. Indeed, the potential negative impact of the proposed merger on employee wellbeing was also raised in all sessions.

"If the cost savings required are so great, they are going to have to strip out a lot of posts and a lot of people are going to be unemployed" (Stratford)

"I worry that this might just be an opportunity to cut some jobs and people actually have double the workload and things don't become more efficient. It happened all the time in the company I used to work for ... mergers happened, everything on paper looked like it would work, and it would become more streamlined ... but in reality, that's not what happened" (Warwick)

"There is an element there where you have to be able to provide somewhere for people to go to and having dealt with the Council myself sometimes, you do get kind of passed from pillar to post ... It's all very well taking out people and making it more streamlined ... but will there be access?" (Warwick)

"Organisations say they're going to streamline, and the service is going to be the same, but if you've got half the workforce, it just can't be. It's also about looking after people's wellbeing: you can't put two jobs on one person and expect them to be happy ... "
(Warwick)

- 5.34 Related to this was a worry about a de-skilled workforce as older and/or experienced members of staff either take voluntary redundancy or seek employment elsewhere due to the destabilising effect of the proposed merger.

"I'm concerned about whether ... the services will suffer from deskilling because a lot of people leave during a period of restructuring. So, there might be a lot of skills lost with the loss of older, experienced members of staff ... services will be run by people who will be under stress because of the uncertainties about their jobs, so some of them will be leaving and jumping ship before they have to, and you could end up with a skills shortage in those key areas ... It may settle down in five years' time, but I think the initial few years are going to be quite tricky while people are managing the change rather than managing the services" (Stratford)

"What's going to happen is when they merge, the older people are going to be offered voluntary redundancy. The people that have the knowledge are going to be pushed out and the people that don't have any knowledge are going to be put in ... " (Stratford)

- 5.35 The 'hidden' costs of reorganisation were also raised in the context of job losses, with one participant suggesting that not only does making people redundant have direct costs of its own, but also societal impacts in terms of heavier usage of local services such as health and social care.

"There's a cost associated with redundancies. There's also a cost related to those people being unemployed and having a greater requirement for access to local services. There's some statistics ... to show that people who've been made redundant visit the GP more frequently, have bigger requirements for more social care, have mental health issues, and the true cost is never reflected in any analysis you'll ever see ... " (Stratford)

A larger Council could, it was felt, be too unwieldy and remote

- 5.36 Councils were described as “*bureaucratic jungles*” in one of the Stratford-on-Avon sessions, where some participants felt that merging the two existing organisations into a larger entity would magnify this.

“Councils are typically known as being bureaucratic jungles, so if you merge the two together aren’t they going to become even more bureaucratic and even less efficient? Is the whole thing going to end up costing even more money because it takes longer to sort things out, or because it takes longer for things to be solved?” (Stratford)

Democratic deficit may be an issue in the event of fewer Councillor numbers

- 5.37 Another frequently stated reason for disagreeing with the proposed merger was the potential for democratic deficit as a result of fewer District Councillors across the area. Residents were worried that decisions about their local areas would be made by those with little knowledge of their needs, and that access to Councillors, if they are covering a much larger area, would become even more difficult than some said it is currently. Some typical comments were as below.

“You need local officials to be in your area. You don’t need somebody that’s not understanding how you live and how you are feeling and what happens in your area ... You need someone that’s going to be looking at it from your point of view ... ” (Warwick)

“Will we lose that local level access to councillors that we get? Because if you hold a position higher up in the authority, you’re less accountable, you’re less available, you’re less likely to listen to people ...” (Stratford)

“I’ve had issues trying to get in contact with my local councillor and it’s difficult as it is already, so if they’re cutting them ... it’s going to be twice as hard” (Warwick)

“Where will your local councillor be? Will they be down the road in Stratford, or will they be halfway to Warwick? The further away they are ... the representation gets diluted” (Stratford)

- 5.38 This was an especially problematic issue for some Stratford-on-Avon residents, who anticipated that they would end up paying ‘more for less’ given the need for council tax equalisation and the fact their precept is currently lower than that of Warwick residents.

“As a Stratford resident, I find it nearly impossible to get in touch with our councillor. So, the thought of paying more money to be able to have to contact someone even more times than we do already to not get a response because they are going to be so stretched ... Why on earth would we want to do that?” (Stratford)

“So, essentially the proposition is the same as Suffolk’s. They went from 90 councillors to 55 which is almost a 40% decrease in their councillor staff ... and they are also suggesting us paying more council tax with less councillors and putting those councillors under a much larger jurisdiction and a lot more stress load” (Stratford)

- 5.39 There was also a sense that decision-making could be perceived as remote and somewhat unfair by residents in those areas without very local representation.

"[My concern is] that we're going to be so far away from things when we do need help. At the moment, councillors also live in the local area ... they're going to be getting the road repaired because they drive on it. It's a priority for them. But the person who lives in Stratford who has nothing to do with Warwick ... and has never been there and doesn't realise that the roads are absolutely ruined, is going to prioritise his bit of it, rather than ours" (Warwick)

- 5.40 It should be noted, though, that several participants (especially in the Stratford-on-Avon groups) felt the councillor reduction would make little difference to them in practice given they either had little direct experience of seeking support from their local representative or had found them ineffective when they had. Moreover, others suggested that councillor numbers are over-inflated currently and that provision would still be adequate in the event of a reduction, and that even a large reduction would be acceptable if the cohort that remains is as diverse as possible.

"It doesn't concern me at all. I'm sure there's more than enough decision-makers already ... I think we'll still have local decision making or local enough in my eyes for it to be workable and manageable ... " (Warwick)

"I think I would be OK with a reduction so long as the breadth is still there ... I'd rather have 55 from a wide variety of different backgrounds and places than 97 from the same background and place if that makes sense" (Warwick)

Council Tax increases were a concern in Stratford-on-Avon, as was the prospect of being the 'poor relation' within a larger Council.

- 5.41 The requirement for Council Tax harmonisation was explained at the session, and so participants were informed of the difference between the District Councils' precepts currently (£149 per month for an average Band D property in Stratford-on-Avon, and £177 per month in Warwick). This led to considerable concern (and in some cases anger) among Stratford-on-Avon residents, as they anticipated that rather than Warwick's charge reducing to match theirs, theirs would increase to match Warwick's.

"The one thing that I hadn't realised was the disparity between what we are paying in council tax and what they are paying in Warwick. So, in a drive for efficiencies to save money, we will be paying more and receiving less" (Stratford)

- 5.42 Indeed, it would be fair to say that it was this information that led some Stratford-on-Avon residents to view the proposed merger more negatively at the end of the session than they had at the outset.
- 5.43 Related to this, there was some feeling that Stratford-on-Avon, as the generally wealthier District, would be the "poor relation" within the proposed new structure as the needs of Warwick residents would be prioritised. Concern around this was particularly acute for those in peripheral rural areas, who said that they feel somewhat neglected even now.

"Money you make from a cost saving should be invested in providing better services for people. We're lucky that we live in Stratford and it's great ... I'd [hate] to think that we then become a poor relation to the needs in Warwick" (Stratford)

"I've worked on a number of mergers ... and they've all turned out to be not fantastic. Because what you tend to find is two organisations get together to become a large amorphous organisation and money that was originally allocated to the one tends to be moved to prop up the one where needs are greater. So, a potential scenario would be that funds are reduced for Stratford and sent to Warwick ..." (Stratford)

"It does worry me, that we're going to be poor relations. I live in a little village ... and we don't get a lot. Our neighbours are on the parish council, and they fight all the time for stuff. I know the battles they go through even now" (Stratford)

There were concerns about the implications of the merger for the third sector

- 5.44 Two participants - one in Stratford-on-Avon and one in Warwick – work in the third sector and sought clarification on funding arrangements within the proposed new structure. They were chiefly worried that the redistribution of funds into one single 'pot' covering a much larger area will ultimately reduce Council funding for organisations supporting very vulnerable people.

"Places like Citizen's Advice, Age UK ... get joint funding from Warwick District and Stratford District. Now if you merge them ... it's likely that the money that goes into those charity organisations will be slightly reduced because they're one rather than two separate councils. So as much as I'm hopeful that they won't, from experience, when things change and move forward, those vital services that really vulnerable people really need ... their finances and the income they receive are cut, cut, cut" (Stratford)

"I work in the charity sector, and I get a lot of funding from the local Council ... My concern is that that would be diluted because it's going to be spread over such a massive area ... that accessing funding that's going to really benefit local communities is going to be really difficult" (Warwick)

Opinion remained divided on the merger at the end of the session

- 5.45 Ultimately, when asked again at the end of the session (having heard all the background information) whether they agreed or disagreed with the proposal to replace Stratford-on-Avon and Warwick District Councils with a new South Warwickshire District Council, opinion was still divided among the 33 residents remaining: 14 agreed (though only two strongly), two neither agreed nor disagreed, 15 disagreed (six strongly) and there was one 'don't know'.
- 5.46 The dominant feeling among all participants at the end of the session, though, was that the merger is an inevitable consequence of financial pressures for both Councils, and while it was viewed as an opportunity for positive change by some (providing the transition is managed effectively), for others it is simply a 'necessary evil'.

"The inevitability is that this will go ahead whether we like it or not because there's not sufficient funds to support two different districts in the way that they currently are ... But it might bring an opportunity in that we get this super, fantastic, really slick, well-run, highly efficient organisation" (Stratford)

"I have worked in the public sector for a long time, and I have been through restructuring processes myself. I think my main concern with this proposal is how the transition is managed because ... it's a fairly done deal that this merger is going to go ahead. With the financial constraints that they've got on both sides, I don't see any other way that they are going to do that" (Stratford)

"It's something that's got to happen because there's no money. You can't do anything with no money ..." (Warwick)

"I think they are going to have to do it. I don't see how they can recoup money any other way, but I don't agree with it" (Stratford)

"I'm as hostile to it as before, but I'm resigned to it. It's going to happen" (Warwick)

- 5.47 On a final note, a couple of participants questioned whether there were any contingency plans in place for de-coupling; that is, separating back into two separate Councils should the merger not prove successful in its ambitions.

"Saying this goes through and we end up with this one organisation, are they actually doing a scoping study into if it goes wrong and will they then work out how much it's going to cost in terms of separating the two again? I've seen mergers go through and it's been pear shaped, and then it's cost a phenomenal amount of money to separate them again and it just ends up a bit of a mess" (Stratford)

Summary of key points

➤ Overall support for or opposition to the proposed merger

- Opinion from the residents' groups was divided between those in support and those opposed to the merger of the two Councils
- General recognition of the inevitability of the need for change to meet financial challenges, protect services and benefit communities
- Regarded by some as an opportunity for positive change and by others as a 'necessary evil'
- A question over whether there were any contingency plans in place for reversing the merger should it not prove successful in its ambitions

➤ Main reasons for supporting the proposed merger

- Recognition of the financial and operational challenges faced by the District Councils in the aftermath of the Covid-19 pandemic
- Benefits to be gained in reducing duplication and introducing consistency across two broadly similar areas
- Savings could be used to support service improvements
- A reduction in elected members could be supported as long as the cohort remains as diverse as possible

➤ Main reasons for opposing the proposed merger (also raised as concerns by several of those generally in support of it)

- A greater disconnect between the public and service providers
- Cuts to services and poorer access to services

- Negative impacts on staff wellbeing and morale caused by job losses and fewer staff taking on greater responsibilities
- Fewer staff overall resulting in poorer service quality and reduced accessibility to services and generally poorer outcomes for residents
- Fear of de-skilling the Council workforce – more mature, experienced staff being replaced by less experienced, younger, less expensive staff – resulting in poorer service quality
- Undue consideration within the proposals for the unseen costs of redundancies and reorganisation
- Funds being diverted from Stratford-on-Avon in favour of Warwick where needs are perceived to be higher
- Stratford-on-Avon residents paying more to achieve council tax and precept equalisation with Warwick
- The new Council having Conservative political dominance
- Fewer Councillors would lead to reduced local autonomy and democratic representation/accountability particularly in the most rural and marginal communities
- Concern that Council funding to third sector organisations would reduce following merger.

6. Staff focus groups

Introduction

- 6.1 This section reports the views from two online focus groups⁹ with members of staff from across Stratford-on-Avon and Warwick Districts: the first for managers on the afternoon of 20th October 2021 and the second for non-managers on the morning of 21st October 2021. Nine managers and six non-managers attended the sessions.
- 6.2 The sessions were independently facilitated by ORS using a pre-determined topic guide which allowed space for a general discussion of the key questions under consultation. The focus was on the opportunities presented by and concerns around the Councils' vision 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 Councils by 1 April 2024"*.

Main findings

Background to the proposed merger

- 6.3 In contrast to, for example, the residents' focus groups, staff members from Stratford-on-Avon and Warwick District Councils came to the groups already highly aware of local government structures and services in South Warwickshire. The focus of the sessions reported here, therefore, quickly shifted to discussion around the opportunities that a merger might present, concerns about its potential impacts and implications, and other in-depth discussions about particular aspects of the proposals.

Opportunities presented by the vision for a single South Warwickshire District Council

Staff members recognised that the proposed merger could present opportunities to maintain and improve service provision, and to address key challenges

- 6.4 There was a view among some participants that the proposal for a single Council could help ensure the future sustainability of local council provision. One manager raised the potential implications of *not* making changes in the face of financial challenges and felt that the vision is a viable way to protect important services.

⁹ Both groups were undertaken on Microsoft Teams.

"I think on paper, it is hard to argue ... as in the benefits are obviously heavily financial ... and there is a lot of talk about what would happen if we did not do this; that we would have to cut services and we would have to drop things and make drastic changes, which obviously as far as us as providers of services to our communities, that is not what we want to do. So, I think that is definitely the positive ... there is the ability to maintain all the services and potentially do them for a lower price" (Manager)

- 6.5 This view was echoed by non-managers, who agreed that the proposed merger would help ensure the future viability of the Councils; one participant gave the example of potential opportunities to consolidate council offices onto fewer sites as a means to reduce costs.

"From a global perspective in terms of the two councils merging the biggest thing is obviously going to be cost savings and the viability of councils going forward ..." (Non-manager)

"Obviously the other positive is maybe one building that we can all work in which will save ultimately ..." (Non-manager)

- 6.6 As well as the potential to consolidate infrastructure, staff members also noted opportunities for improving service provision, and for savings to be realised, through merging staff teams. For some, the opportunity to achieve economies of scale and deliver services consistently across the two Districts was particularly attractive.

"When you are talking about support services like mine, effectively you can achieve better economies of scale by working across borders ... but at the moment, the political structure makes it very difficult to do that. It does not apply to all service areas, but definitely for support services I think it tends to be the bit that gets squished a lot so you can only benefit from working on a broader space ..." (Manager)

- 6.7 For other participants, the proposed merger could improve service provision through the sharing of expertise and resources, which could then pave the way for innovation and better ways of working.

"I do see that certainly within the team I work in and the customers that we support, there is opportunity ... if we could work together there is more opportunity to share resources and do more joint commissioning, and also, good networking with a wider team ..." (Non-manager)

"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" (Non-manager)

"I would say the opportunity to share resources, expertise, to share ways of working, certainly in planning departments ..." (Manager)

- 6.8 Providing the best practices of each existing Council would be retained as the basis for any new single entity, then the vision was seen by some participants as an opportunity to deliver services more consistently across South Warwickshire, to the benefit of residents, businesses and other stakeholders.

"There will be consistency across the two Districts so from a resident's point of view I can see there is lots of advantages. Outside the cost of it, the actual logistics of putting the two councils together, I can see advantages ..." (Non-manager)

"I know through hearsay that the planning departments in Stratford and Warwick are run quite differently in terms of the way they are structured, the way applications are handled, how successful they are in some respects in terms of meeting the government's standards. Each is different and those opportunities for learning there, but whether you end up at halfway house between the two or the best of best of both worlds or the worst of all worlds is the question ..." (Manager)

- 6.9 Moreover, one manager held the view that mergers of local government organisations that deliver a range of different services may simply become the norm in the context of a global marketplace.

"I think this merger is kind of inevitable and it is going to be the direction of travel for all councils going forward. We have to be able to work within a global market. Organisations are joining, they are becoming bigger so they can operate in that way. So, it is almost like you have got to be a bigger organisation or you have got to be niche, and district councils are neither ... we need to join together so that we can still come to the table in the marketplace ..." (Manager)

- 6.10 There was, however, a note of caution; while the vision for a single district council for South Warwickshire could, it was felt, be beneficial, challenges were anticipated in managing the cost and complexity of merging the two existing organisations if the proposal were to go ahead.

"There are opportunities to merge systems, but there's a ridiculous amount of cost involved in merging systems across the councils ..." (Non-manager)

"I think there could be an opportunity with any restructure if you are looking at teams and services and how they are delivered and ... doing it better. There is always an opportunity to improve things isn't there? But I think in this case because of the timescale and because of the focus on reducing costs ... it is not going to happen in the way they think it is. I think that that opportunity will be lost. It could be such a great opportunity for people to come together across both councils with years of experience, knowledge of how things work and how things don't work and how to put services together in a way that is much better and more efficient ..." (Non-manager)

A single District Council for South Warwickshire could address staffing issues, and even provide opportunities for career development and advancement for employees

- 6.11 One staff member raised the possibility that the vision for a single Council, which would have the advantage of allowing staff to work together across a larger area, could help mitigate against persistent staff recruitment issues.

"In my area ... there is a shortage of staff out there at the moment within the industry, it might be quite good to share people so that we can compensate for shortfalls ... So, that is a positive" (Non-manager)

- 6.12 Staff members with previous experience of local government reorganisations recounted examples of the opportunities that arose for staff to develop new skills and experience as a direct result of merging systems and aligning working practices. This led, according to one staff member, to improvements in their team's ability to deal with challenges.

"We found we managed to share skills ... we learnt new things that we hadn't learnt before because it was different ways of working, different systems that we had to learn. So, in hindsight we learnt, gained quite a bit from previously. But also, as a more general thing, people's experiences were improved, and they could deal with difficult situations better. So, a lot of learning went on between the different councils ..." (Non-manager)

- 6.13 Merging Councils, based on participants' past experiences, could also lead to departmental reorganisations that present opportunities for career advancement in the form of more responsibility and promotion.

"When departments merge ... there is the option for career progression. So, you can move up potentially with promotion, but it depends on the restructures. We went through a process where we had a restructure of the whole department, so it incorporated Cherwell and South Northampton at the same time. And we had to spread the resources across the whole three councils ... the Stratford team is pretty small, and we did actually get an extra few members of staff and there were promotion opportunities for people within the department as well because we were covering such a massive area ..." (Non-manager)

Concerns about the vision for a single South Warwickshire District Council

While there was little in the way of outright opposition to the proposed merger, staff members raised many concerns about its practicality and potential impacts

- 6.14 For most staff members, the simple fact of bringing together two different District Councils, while attractive in terms of potential financial and operational efficiencies, would not be a simple process due to the differences between the existing organisations.

"I think it is a very simplistic view to say, we are very small authorities in comparison to a lot, if you bring small authorities together you are going to get economies of scale, more efficient working, you can reduce your staffing. It all sounds brilliant, but it is not that simple and we all know it is not that simple ..." (Manager)

"You then also have the processes as well ... the Councils do all their work in different ways. So, even though you have got the same system it is still not the same process ..." (Non-manager)

- 6.15 As an example, one staff member noted the geographical differences between the two Districts, with Stratford-on-Avon being much more rural than Warwick with its major centres of population. This contrast, they felt, means that uniform service delivery might be challenging.

"We are very different. Stratford is very rural, so the way that services are delivered will be different across the two areas. Warwick and Leamington are basically joined anyway, and other towns are not too far away, whereas getting across our district takes a good old time ..." (Non-manager)

- 6.16 A few participants felt that the challenges of merging two District Councils have not been fully considered, with one citing the substantial amount of careful research and planning that would be required to ensure success.

"It's probably a bit like Fiat suddenly deciding they are going to enter the Formula 1 circuit and deciding six months before, 'Well, we make cars so let us just get together with someone else and we can get a car that will be ready to race in the big races in six months.' But they wouldn't do that, would they? They would research it for months and years and spend money out to get to that position where they then say, 'Here you go. We can now compete'" (Manager)

- 6.17 Similarly, several managers felt that the merger of two different systems across many different service areas would prove to be slow and complex, and the practical reality would be that old and new systems would have to be used in tandem, potentially adversely affecting service provision.

"Ideally, in our service area, we would have a new system for South Warwickshire District Council. All the data would be put into it. It would be tested for months. Everything would be migrated. It would be run alongside the existing database systems that we use until go-live day, and we just switch over. That is not going to happen ... we are going to have to just kind of get by with the systems we have got to start with. And that is just one area ... these sort of things are obviously going to affect planning, building control, housing. So, it is going to affect everybody ..." (Manager)

- 6.18 There was widespread concern across both groups that the proposed timeframe for implementing the proposed merger is overambitious, given the time that would likely be required to ensure that the vision for a single Council could be realised successfully.

"It's going to be a long, slow process to get it right ... But we are trying to do it much too quickly because somewhere along the line, it suits it to be done within this timeframe. It is almost like what we have done is we have said, 'We need this to be done by 2024 come what may and we want the answer to the question to be a new district council.' So, how do we get there?" (Manager)

"I think other councils have already said that you need between five and seven years to do this, but yet we seem to think we can do it in two" (Manager)

- 6.19 A key question was exactly what is meant by a merger being completed by 2024, with participants urging that the (complex) process of merging operationally should not be rushed in an attempt to meet an arbitrary political deadline.

"I was just going back to the definition of what a merger means really. I mean, if there isn't the pressure to get everything sorted by that 2024 deadline ... Let us do it naturally ... If there is not a time pressure and it makes natural sense to join things up ... let's do it and involve everybody rather than shoehorning everything into a 2024 deadline ..."
(Non-manager)

"It is the timing really; it is just an incredibly short time scale ... operationally you just think of IT systems. And we are so slow at moving things around ... we are still going to be evolving years after 2024. So, it depends on what they mean, South Warwickshire Council by 2024. It depends on the definition really ..." (Non-manager)

- 6.20 Several staff echoed these concerns and drew on their personal experience of similar operational council mergers in the past to highlight the time required to establish joint teams and services and get them working smoothly.

"We joined some of services like legal, finance, HR and IT with Cherwell and South Northants as a shared service. And we know for a fact that it took at least two years to even get the finance system joined up ... So, if we are taking that one system, obviously there is lots of different systems across the council" (Non-manager)

"It probably took us 18 months to two years to get a very, very small team set up. And even now, ten years down the line, we are still getting issues in procedures. We both use the same system but there are different ways of accessing Stratford and Warwick. Yes, still major issues and that is one tiny little area" (Manager)

"I have been through the restructuring process a few times and even in organisations that are used to this process I would say it would still take a good two to three years for all of the processes, all of the customers, all of the staff, the model that they are changing to deliver, to actually embed. So, the current timeframes ... I just think it is naïve. Overambitious and naïve ..." (Non-manager)

- 6.21 Staff members also felt that unless senior leaders within the Councils are prepared to listen to staff members with relevant experience, mistakes will likely be made and opportunities for improvements as a result of local government restructuring might be missed.

"I do see restructure of any sort, and even if it is a merger, to be a great opportunity ... If it wasn't being done top-down then it is probably much more likely to work and to be successful ... they have not got the experience of the people on the ground. And if management are making decisions without any sort of consultation on the ground it is just going to fail, isn't it? They are going to make the same mistakes, they are going to think things are possible or quicker than they really are ..." (Non-manager)

- 6.22 Participants in both groups feared that a merger would become a 'top-down' process in which staff members have changes imposed upon them, rather than being an integral part of the decision-making and implementation process. One staff member stated that an 'authoritarian' process would almost guarantee that the proposed merger would be unsuccessful.

"It would work I think, if there is a sense from management that it was going to be a bottom-up restructure rather than a top-down one. And I just get the sense that it seems the same ... looking at things from a top-down version of management, imposing structures on us, imposing ideas. They are telling us we have got to save costs in this, that, and the other area without any sense of where these costs can be saved. Without any sort of recourse to the officers who are actually doing the job and asking them what could be working better" (Non-manager)

"It feels like there is no intention from top down to get in touch with people on the ground and to take advice and to work from the bottom up ... it is totally authoritarian. Every decision that is made is top down and it's doomed to failure because of it" (Non-manager)

The proposals were considered unrealistic in terms of opportunities for cost savings

- 6.23 Two staff members, while agreeing that a merger could provide significant opportunities for improvement in principle, were sceptical about the claimed opportunities for real-terms savings and questioned the feasibility of the vision in the face of extensive up-front costs.

"Restructuring councils, merging, costs a huge amount up front. If you look at the costs that have been incurred in the other councils that have merged it is just not going to happen the way they think. And if any of you have looked at the Deloitte report which looked at where the savings could be made, it is just ridiculous. It is all pie in the sky and they have plucked numbers out of thin air. They are working on a pipe dream, and it is just not feasible, it is not reasonable. So, I think it is a great opportunity that is going to be completely wasted and end up costing money in the end" (Non-manager)

"The sums do not add up and I worry that although this is inevitable, and this is the right direction of travel ... It has not been properly thought out and it has been on the premise that there is going to be all these savings that I do not think are ever going to come to fruition. There is not going to be a saving from this. If anything, there is going to be a price tag to it ..." (Manager)

- 6.24 Other participants raised similar concerns, with one staff member again noting their previous experience and the 'hidden' or unaccounted-for costs attached to estates and infrastructure changes. Furthermore, a manager felt that salary costs might actually rise if people are required to take on more responsibilities, and so questioned the extent to which staffing savings might be possible.

"In regard to accommodation, we know there is £1.2 million in both buildings at the moment ... And they are talking about building a new place in-between ... Again, we have got experience of this; when we did it with Cherwell and South Northants they built a brand new building ... and there were loads of un-thought about costs ... there is lots of things to think about with a new building. To put an actual whole new infrastructure in there like the IT equipment and stuff, it was close to half a million anyway, so you are not making any savings. Likewise with the systems you will end up joining, you are not going to make any savings at all at any point ..." (Non-manager)

"You have then got to take into account the moment you become a bigger authority, salary expectations rise ... you are going to be expected to pay more in line with Warwickshire County Council than a district council ... And where are the staff savings going to come from? Are you expecting one manager to manage a team that is twice the size of what it was before?" (Manager)

- 6.25 This theme was expanded on, with one staff member arguing that the customer-facing nature of many District Council services means that substantial savings as a result of teams being merged, and fewer staff being required, were unlikely to be desirable or achievable. Their view was that the only area in which cost reductions would be attainable is estates, if fewer buildings are required.

"What they are proposing in savings etc., it just doesn't stack up ... We always say when it comes to services, there is no opportunity to save because ultimately, services rely on people and people cost money. So, if you look at the Council itself, the majority of the services are customer-facing services, therefore they are people-based. Joining two councils together is not going to reduce the amount of people you need to do the work because you are still responding to the same amount of people out there in the public ... There is no way to make a saving from there other than potentially maybe a Chief Exec or a head of service, but those are quite small savings really. And then the other area you potentially could save is in support services, but as [these] have been squished to death by councils over the last ten years, there is very little fat on the bone there already ... So ultimately, their proposed savings, the only area is bricks and mortar" (Manager)

- 6.26 There was also concern and scepticism around the suggestion that both savings and improvements can be made, and one manager felt that much more detail is required to make a convincing case for substantial savings being feasible as a result of the proposed changes.

"We are told to look at the Deloitte report and read that, and it is all mother's milk and apple pie. It tells us that we are going to be able to make massive savings and at the same time we are going to have an urban designer and a transport officer, which would be wonderful, but it does not go hand in glove with making savings" (Manager)

“One of the things I struggle with a bit ... is they talk about one of the biggest drivers is savings and we see these figures for the amount of savings, but I have no idea really how those savings have come about. We get the words economies of scale, sharing services, but there is nothing in black and white which is easy, unless you are an accountant, to understand ... There is nothing to actually give the nitty gritty, how those savings are going to be made which makes you not trust it” (Manager)

Some other concerns were raised around the deliverability of the proposed merger

- 6.27 For a few staff members, there was an underlying concern about the success rate of council mergers and the extent to which due diligence may or may not have been completed to date in preparing the proposals.

“There is plenty of other evidence that suggests that mergers by and large are not successful, that there have been real problems. So, all the opportunities come with a big asterisk next to them.” (Manager)

“A reasonable case has been put forward to say that there are financial benefits that could be accrued, but I do not get the impression that there has been masses of due diligence, that they have spent time talking to councils where it has gone horribly wrong ... In an ideal world when they are talking about something as big as this, what you want to see is that as soon as they think about it, they start doing the investigation, the due diligence, start going away and really looking at what else has happened ... speak to lots of people, do a lot of investigative work and then produce a really detailed plan ...” (Manager)

- 6.28 Others were worried that the differences between the current District Councils could present significant barriers and jeopardise any attempt to successfully create a new District Council for South Warwickshire. Indeed, one manager suggested that a situation might arise in which operations are merged, but at a political level there would continue to be separate priorities and policies – leaving staff members somewhat ‘trapped’ in the middle.

“I can see it going the opposite way of we are going to merge all the staff and then the politicians will back out of it at the end of the day. It will end up as two lots of policies and it will be Warwick politicians saying staff have got to do it this way and Stratford politicians saying staff have got to do it a different way, and the staff are going to be left in the middle not knowing which way to turn ...” (Manager)

Possible impacts of the proposed merger

The potential for additional pressures and negative impacts on staff members (and the services they deliver) was a significant worry

- 6.29 There was significant concern that the proposed merger would place additional pressure on council officers and managers, and particularly that it will mean increased levels of responsibility for those already carrying a significant workload.

"I report to a Head of Service, and you can see the strain of having to wear that hat for two councils is really taking its toll, and the strain is going to go down the ranks from there ..." (Manager)

"I think you see 18 months of merging two services and it is perceived as telling people that perhaps they have not got a job any more or telling managers that that person who has just left, we are not going to backfill their role. Every officer is going to be taking on more work. That is the expectation" (Manager)

- 6.30 There was also the potential for stress arising from, for example, uncertainty about the way things might work in the future, from specific tasks or projects, to staff members' overall roles.

"On a personal level it is quite a long period of turmoil of not really knowing what is going to happen. Whether you are going to have to complete for a job or not and where you are going to be and what that timescale is, because it is different for different services. So, it could be an extended period of uncertainty for specific jobs ..." (Non-manager)

"You are not going to be anywhere near as productive if you have got that hanging over you ... If you are worrying about what your job is going to be in six- or seven-months' time you are going to have stress ... that is obviously going to impact your family life as well, because it is not just about us generally, it is also about families ..." (Non-manager)

- 6.31 Insecurity and lack of agency were also raised as concerns by several participants; one felt that staff members might feel driven to take on more and more responsibility to prove their worth, while another was concerned that the lack of control felt by staff might have negative implications for their mental health.

"I think there is the other fear that if you know your job is at risk you are going to do your utmost ... to try and show how important your role is. So, potentially you could be working longer hours or making sure that you have got a role around you to protect you, if you like. So, that is another anxiety that people may have ... that they feel insecure so they are saying, 'Oh, yeah, I can do this, this, this and this,' taking too much on ..." (Non-manager)

"We have got no control over our situation at all, no control over how our job effectively transforms at all. And that is really bad for mental health to feel like you are just a whim of other people's decision making ..." (Non-manager)

- 6.32 One manager felt that there was therefore potential for negative impacts on staff members who might remain in post following any restructuring, as well as on those who might have to move elsewhere or seek new roles.

"It has an impact on whichever one of us does not have a job for whatever reason. It has an impact on whoever stays because clearly whilst the work is the same, the level of work doubles. So, the impact is on both people, is it not?" (Manager)

- 6.33 Several participants were concerned that these pressures and potential frustrations might lead to staff members looking for roles elsewhere rather than remaining to work through a complex and potentially stressful merger – resulting in a ‘skills drain’.

“For so long people have been put under more and more pressure in certain services ... and they are all at breaking point really. So, with this on top of it no wonder people are looking elsewhere ...” (Non-manager)

“I think over the past six to nine months, I have heard more people talk about looking at jobs outside, applying for jobs outside, even just talking about early redundancy ... that those people were not talking about before. So that shows you the impact that it is having on people” (Manager)

“The people I work with, all the people I manage, are highly educated ... The job that they do is the same job that is required in Warwick, and it is required in Kenilworth and it is required everywhere in the country. There is no reason for them to do it at Stratford other than it is geographically local to where they live ... this will mean that they just look elsewhere and they will have no trouble finding jobs elsewhere” (Manager)

- 6.34 There was a view, and some frustration and anger, among some participants that the timing of the proposal, coming after an extended period of challenge during the COVID-19 pandemic, is not ideal. They questioned the extent to which colleagues might reasonably be expected to engage with discussions on far-reaching decisions at this time.

“I think the supreme irony with all of this is that probably for all of us with the pandemic ... I have never had to work so hard as I have had to work in the last 18 months in terms of workloads and pressures and expectations, and we are being expected to now launch these discussions around merging different teams together ...” (Manager)

“Everybody has been going through a traumatic time for the last 18 months ... and now we have all been told potentially we are going to lose our jobs ... and there has been no kind of reassurance really. It just seems to me this is a really bad time to be doing something like this for all sorts of reasons ... It is on the back of the whole pandemic trauma, we are in a new world, we don’t really know what that world is going to look like ... and maybe in a couple of years’ time, we will be able to see this is probably the worst possible moment to be making really big momentous decisions.” (Manager)

- 6.35 One manager was particularly critical of what they perceived as shortcomings in the way senior leaders have communicated the potential implications of a merger, and the lack of reassurance about the long-term impacts, should the proposal go ahead.

“Coming out of COVID, the recruitment freeze and we are now moving towards this merger ... you could not design it any worse to be just the most continually disruptive period of time in anybody’s working life ... and the way they have gone about it, the management can offer no crumb of comfort for managers or staff as nobody can stand in front of anybody and say, ‘Look, none of you are going to lose your jobs ...’” (Manager)

- 6.36 One way to mitigate staff concerns, one participant felt, would be to ensure sufficient accessible information is made available to enable employees to weigh up the implications of the proposals for them as individuals.

"Having access to information means that people feel like they know what is potentially happening and they can review their options for themselves. I know we have talked about loss of skills, but for each individual person they will need to consider whether it fits with them going forward ... But not having access to the information makes that more difficult and makes it more uncertain and does push people potentially to look at alternative options ..." (Non-manager)

- 6.37 Moreover, one manager felt there needs to be recognition of the extent to which the proposed changes rely on the commitment of those who have served the communities of South Warwickshire for many years; failing to understand that personal investment and the working culture people may be used to could, it was said, lead people to question whether they wish to remain in their roles.

"They are wholly relying on the commitment of staff that have been at both organisations for a very long time to get through this and I think they are completely missing the mark about how people are really feeling ... people work at both councils because of their investment in the council, because of the culture that you have got used to working in, and that is why you stick around. And if that is gone, it does make you ask the question, 'Is that a place I want to stay working at?'" (Manager)

- 6.38 On a related note, working for their local District Council was a source of great pride for participants who are also resident in the area; as such, they did not welcome the prospect of working for a larger, cross-border organisation.

"I feel incredibly proud to work for Stratford-on-Avon District Council and I don't have a desire to work for Warwick. I wanted to work for Stratford-on-Avon District Council because it is where I am born, it is where my heritage is ... And I think I do have a sadness that that will be going, and I don't think I will be on my own with that ..." (Non-manager)

"No disrespect to Warwick, but I love working for Stratford District Council, and to lose that identity is really quite disappointing, upsetting, potentially ..." (Manager)

- 6.39 Moreover, several staff members suggested that the loss of their District Council could negatively affect many residents' sense of identity, with one manager suggesting that it will take some time to overcome that *"mindset of how people think about themselves regionally."* In Stratford-on-Avon in particular, there was also concern that the current focus of the District Council on Shakespeare-related tourism will be lost, to the detriment of the town.

"For Stratford town and Shakespeare and its associations, that is the whole focus of the District Council ... That's where the tourists come. What sort of damage are we doing to our identity if Stratford as the name of the Council disappears? We become just another district council that is named after a geographical area of the country" (Manager)

The potential impacts of the proposed merger on service provision and access were also concerning

- 6.40 The possible loss of experienced staff (as a result of the merger itself or the ongoing uncertainty around it) could, it was felt, result in a loss of local knowledge and a subsequent detrimental effect on service delivery.

"The other thing is people who are potentially reaching that time where they are thinking about retiring, are people going to choose to leave earlier? And taking the information and the knowledge that they have in their particular area ..." (Non-manager)

"Both councils have a wealth of local experience specific to their areas and that is across lots of different services, and there's just a concern that you do not want to lose that local knowledge because that will obviously have an impact on the residents and services that get delivered." (Non-manager)

- 6.41 The same was thought to apply to the anticipated reduction in Councillor numbers; democratic deficit was a worry in terms of Councillor accessibility, and there was a sense that:

"You will lose that diversity of geographic opinion as well ..." (Non-manager)

- 6.42 Specifically, more remote decision-making in planning was thought to contravene the localism principle, which states that decision-making should be done at the most local possible level to reassure residents that applications are being considered by Councillors with knowledge and understanding of their area. There was a strong feeling that the aforementioned democratic deficit will be most keenly felt in this service area.

"... Under these new arrangements, there will be fewer councillors, they will have larger areas to consider, and it is very probable that decision-making ... would be made somewhat distant to where the actual development would occur. That is going to be uncomfortable for people ... It will feel as though there is a democratic deficit in that respect" (Non-manager)

- 6.43 Customer service was also said to be better within smaller organisations, as is the ability to mobilise services quickly - the importance of which has been highlighted by the COVID-19 pandemic. Indeed, there was a sense that a larger organisation would have been too unwieldy to be as effective as the District Councils have been in similar circumstances.

"The local size is interesting because it is a bit like if you buy a product from Amazon, you will get it cheaper than maybe if you bought it from a local small shop, but if something goes wrong, you will probably get a better and more efficient service in the local shop ... the bigger you get, customer service really does start to go out the window" (Manager)

"... It has been proven over the last 18 months just how important that ability to mobilise local services quickly has been. And I am not saying that will not be possible as a larger organisation, but if I do have concerns, they are around that" (Manager)

Practical considerations

There were differing opinions on council headquarters in the event of a merger

- 6.44 In the final section of the focus groups, discussions focused on where council offices might be located if the proposed merger were to go ahead.
- 6.45 In the event of a new South Warwickshire District Council, there was some support for a 'fresh start' by means of new headquarters but no consensus as to where it might be located. The main stated issues in relation to location were around accessibility (for residents and staff) and perception, as highlighted below.

"Can we find somewhere else halfway between the two councils? Well, that is going to have an impact to staff ... What happens if people live in Stratford because they work in Stratford? They might not drive. How are they going to get to, say, Wellesbourne, for instance?" (Manager)

"I think it would be helpful if we knew where we were going to be based and whether there were going to be more local service centres ... for accessibility services. Our district is so big, if you live in the very south of the district ... and then you find you have to go to Leamington ... that is like an hour's journey, and how do you do it on public transport? Because it doesn't exist in Stratford district; we are so poorly connected by public transport it is untrue. So, for anybody who relies on public transport to get around ... they are going to find it very difficult to access the main office" (Non-manager)

"Having a new combined building for a new combined authority seems sensible, although where that would be is the question. If it was in Stratford district area, how are the Warwick people going to feel about it and vice versa?" (Manager)

- 6.46 Others, though, were concerned about the cost of a new building, while also acknowledging the impracticality of continuing to use one or other of the existing headquarters – both of which were considered inefficient, expensive to run and 'too big' considering the likely continuance of homeworking.

"Stratford headquarters' office is too big now because of what they have done with COVID and moving us all to working from home. And also the building itself needs a lot of work doing to it to upgrade it. It is not sustainable in terms of its energy efficiency ... it is quite an old building now." (Non-manager)

"Realistically, how many people are going to be going back into the office full time? And what does that mean? I still work from home. My day that I am not working from home I work at Stratford Leisure Centre, so I am not even in the office. So, how many other people will mostly be working from home? So, it could be a tie up between Elizabeth House and Riverside House, but are they still going to be too big" (Non-manager)

"The council building in Stratford ... it is an expensive building to run and obviously it is mostly empty at the moment, so I can see that doing something around buildings is key to this. And on the back of the pandemic, we have demonstrated that actually, we do not need to be in the office for a fair amount of the work that we do and we can do it as effectively from home..." (Manager)

- 6.47 The move toward online service provision was also thought to negate the need for large council offices, albeit it was recognised that some people will always prefer or need face-to-face contact and that they must be accounted for to some degree – perhaps via much smaller offices, but in more locations.

"I don't know how many times people need to go into a council ... what demand is there to go into a council office, particularly with things moving more online?" (Non-manager)

"I guess there are still people out there who are not happy to use online systems though, so we have still got to accommodate people who can't get access to the internet or are more comfortable with speaking to somebody in person" (Non-manager)

"I think ... this is an opportunity to think a bit more out the box. Why do we not think about more small, localised offices rather than one large building? Places where not only we can work but visitors, customers can have easy access to us as well?" (Manager)

- 6.48 A minority, though, suggested that residents would prefer an identifiable 'hub' within a central location rather than a series of smaller satellite offices, preferably one in each district – and one member of support staff was strongly of the view that their department would benefit from some space within a central location in future, as they have experienced difficulties in properly supporting all other services remotely.

"I think the fact that we have an Elizabeth House turns on the point that people want to have a council they can go to at the heart of their district ... because as much as we might be able to work remotely, there is still a need to have a customer-facing service. That people can associate with a place and with a building is valuable in and of itself ..." (Manager)

"I probably have a slightly different take being a support service and therefore you are there for all of the other services in the council. It has been quite difficult doing some of that remotely so I would say for support services specifically, potentially a central place where they are located and people know where they are and they can go to, that is probably still important ..." (Manager)

Any new or refurbished council offices need not be large enough for full council meetings

- 6.49 Both groups agreed that external premises could be hired for full Council sessions, or that they could continue to be held virtually.

"It does seem silly to pay for a big building for it to be for just for council meetings which are of varying sizes. Surely it would be cheaper if you could hire a venue or try and do it virtually, than the expense of a large building." (Non-manager)

"They would just hire somewhere for those four meetings or five meetings, whatever it is ..." (Manager)

Other comments and suggestions

Staff involvement/engagement is essential in ensuring the success of any merger

- 6.50 Participants in both sessions were surprised at how few members of staff had signed up for the focus groups reported here, taking this as a sign of general apathy among the Councils' workforces and the fact that many employees see the merger as something of a fair accompli.

"... I was really flabbergasted to find out how small the number was who had signed up and I think that is just a real sign that people are maybe feeling apathetic ..." (Non-manager)

"I feel like it is a fait accompli. We are being asked to come to a consultation about the merger of two authorities where the answer is yes ... It is not a consultation in good faith. It probably tells you what you need to know that you have only nine managers here ..." (Manager)

- 6.51 It was not considered too late to get staff on board with the process though, if it is decided to proceed with the merger. Indeed, it would be fair to say that most attendees at both groups could see the logic behind and need for it, but felt that they require more and better information, communication and engagement to allay the many concerns they raised and ensure they feel properly involved in the implementation process.

"There is no reason why you wouldn't want to try and improve the way you are providing services and systems and so on and so forth. I think staff if they were informed and given more information about what their responsibilities will be ... they would be willing to make positive changes" (Non-manager)

"Everything needs to be laid out for us about what is being decided, what hasn't been decided and how they view this process is going to work going forward. They need to basically enable us to determine how the services are going to look in the future because we are the ones who are going to have to do the work on the ground, and we are the ones that know what works and what doesn't. So, they really need to change their cultural mindset about it which seems to be very directive" (Non-manager)

- 6.52 Indeed, beginning this process as soon as possible (if the merger is approved) was urged so that commonalities, differences and ways of introducing conformity can be identified at the very outset.

"If we start looking at the way we do stuff and try and get some conformity across the two authorities as soon as possible, and then at least that will help us move forward ..." (Manager)

Summary of key points

➤ Overall support for or opposition to the proposed merger

- Rather than expressing 'support' or 'opposition', staff members focused on the potential opportunities that the creation of a single District Council for South Warwickshire might present, as well as concerns and impacts that would need to be considered and addressed if the proposed merger were to go ahead

➤ Opportunities arising from the proposed merger

- Protecting and ensuring the future sustainability of local Council services
- Improved service provision through the consolidation of expertise and resources, and staff developing new skills and experience
- More consistent service provision across the two areas
- A larger pool of staff mitigating against recruitment issues in certain service areas
- Departmental reorganisations presenting opportunities for career advancement through more responsibility and promotion

➤ Main concerns around the proposed merger

- The proposed timeframe is overambitious given the likely complexity of the process (due to the differences between the two Councils and their systems)
- Geographical differences between the districts could be a barrier to uniform service delivery
- The projected savings are unrealistic given the significance of 'upfront' and likely 'hidden' or 'unaccounted for' costs – and because the customer-facing nature of many district council services means that current staffing levels will need to be maintained
- Many staffing impacts were raised, mainly: additional pressure on remaining staff due to increased workloads; stress and anxiety as a result of ongoing uncertainty; and a loss of skills and local knowledge as a result of staff being made redundant, seeking employment elsewhere or taking early retirement
- The potential for 'democratic deficit' and more remote decision-making by fewer councillors
- A loss of identity within the two Districts

➤ Other issues

- No consensus on whether any new Council should have a new headquarters, or whether one or both of the existing buildings should be used – but there was a general feeling that the latter are inefficient, expensive and 'too big' in light of continuing homeworking and the move to more online service provision
- Those preferring or needing face-to-face contact must be accounted for – either via smaller offices in more locations or a smaller central 'hub' in each district
- External premises could be hired for full council sessions, or they could continue to be virtual

➤ Future considerations

- Clarification is required as to what exactly is meant by 'a merger by 2024'
- Any merger should be a 'bottom up' process whereby staff members play an integral part in the decision-making and implementation process: employees want to be involved in and input into any implementation process to ensure their experience drives success
- Most attendees could see the logic behind and need for the proposed merger, but require more and better information, communication and engagement to allay their concerns and ensure they feel properly involved in the implementation process

7. Stakeholder focus groups

Main findings from stakeholder focus groups

Town and Parish Councils

Introduction

- 7.1 This section reports the views from an online focus group¹⁰ with town and parish councillors from across Stratford-on-Avon and Warwick Districts. The event took place on the evening of 7th October 2021 and was attended by 26 Councillors.
- 7.2 The session was independently facilitated by ORS using two co-hosts: a main facilitator and a secondary host who was able to observe the session as well as address any technical issues arising from the online format. The group followed a pre-determined topic guide which allowed space for a general discussion of the key questions under consultation. A series of information slides were shared at set points during the sessions, which ensured that participants had sufficient background information to actively deliberate on the proposals.
- 7.3 In order to quantify views on some key questions, a series of 'quick polls' were undertaken during the session. Responses to these were captured and are reported in this chapter, but it is important to note that this was a qualitative research exercise and the numerical findings from the polls are not statistically valid.

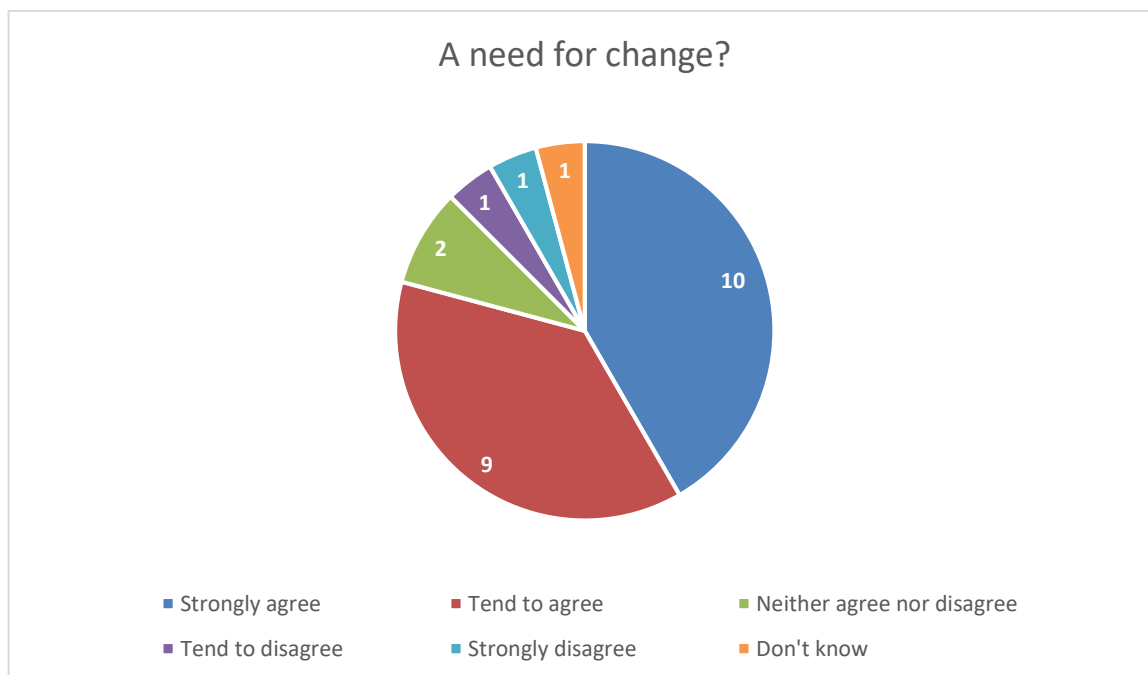
Main findings

The case for change

- 7.4 When asked (via a Zoom Poll) whether they agreed or disagreed that there is a case for changing the way local government is provided across South Warwickshire, the chart overleaf shows that most town and parish councillors agreed.

¹⁰ All the groups reported in this chapter were undertaken on Zoom – as this has become a fairly familiar tool for the general public during 2020-21. Participant familiarity with the software varied and, depending on the platform, some participants struggled to take part in the online voting tasks.

Figure 29: To what extent do you agree or disagree that there is a case for changing the way local government is provided across South Warwickshire?



Based on responses from 24 people within the focus group

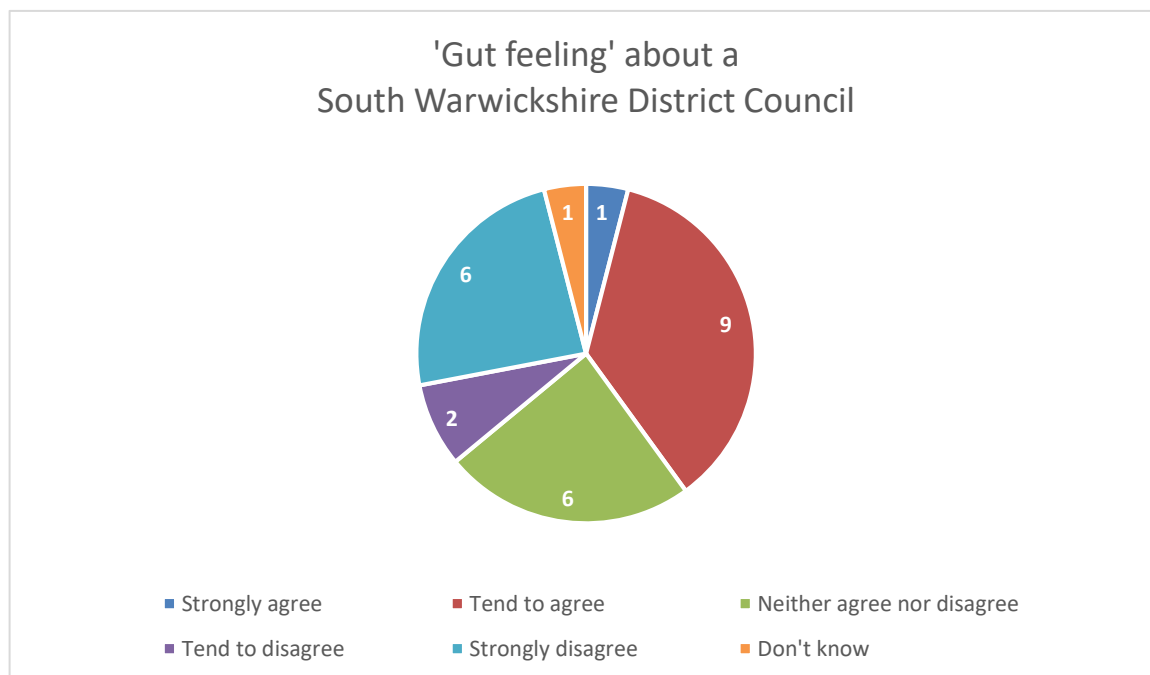
- 7.5 In discussion, those who agreed did so chiefly on the grounds that financial savings must be made, and that joint working would be beneficial in many areas.

"There will be savings and other benefits from joint working"

"The combining of two councils reduces costs"

- 7.6 However, opinion was more divided in response to the second poll, which asked about people's 'gut feeling' about the proposal to replace Stratford-on-Avon and Warwick District Councils with a new South Warwickshire District Council. The chart overleaf shows that of the 25 participants that responded, 10 agreed and eight disagreed (the remainder neither agreed nor disagreed or could not answer at this stage), suggesting that while most recognised the need for change, there was some concern about the proposed means of achieving it.

Figure 30: At this stage, what is your 'gut feeling' about the proposal to replace Stratford-on-Avon and Warwick District Councils with one new Council to provide all district council services across South Warwickshire?



Based on responses from 25 people within the focus group

Which criteria are key to evaluating the restructuring options?

7.7 Councillors were given the following criteria and asked which they considered to be most important.

- *Local public services*: keeping services as local as possible for as many residents as possible
- *Cost savings*: delivering savings to support the overall Council budget
- *Value for money*: cutting duplication, increasing economies of scale and improving efficiency
- *Stronger/accountable local leadership*: ensuring residents can/know how to influence decision-making and raise issues with their local Councillor, and have a say on how services are delivered
- *Medium- and long-term sustainability*: ensuring frontline services are sustainable in the medium- and long-term.

7.8 Stronger and accountable local leadership was most important to the town and parish councillors, with an average rank of 1.9 – and this was closely followed by local public services (2), value for money (2.4), medium- and long-term sustainability (2.4) and cost savings (2.5). Indeed, the fact that all five criteria received an average rank of under three suggests that they are all considered vital in decision-making around future local government structures.

Figure 31: Average ranking of evaluation criteria



Based on responses from 21 people within the focus group

A new South Warwickshire District Council?

There was some explicit support for the proposed merger

- 7.9 There was some feeling among participants that a merger could yield economies of scale and efficiencies – and potentially more “clout” for town and parish councils.

“I think town and parish councillors might get a bit more clout. As a town council, we don’t actually have much to do and we’ve been told that if the merger does go through, we’ll have more to do in terms of parks, cemeteries etc. That jobs will start coming down to us more ... so that’s why I’m thinking more clout and I think that would be a good thing”

- 7.10 Moreover, one participant supported the proposed merger as they felt it would stave off the potential unitarisation the whole of Warwickshire – and another supported the merger as a ‘steppingstone’ to a unitary council for South Warwickshire in future (but only if this were the end goal).

“I would only reluctantly support the merger so long as it was seen as the first step towards a full unitary council. If this was seen as the end result, I would strongly oppose it”

"The main driver for merger is, I believe, political: a desire to prevent the formation of a 'whole of Warwickshire' unitary authority. Since I feel residents of the southern tip of the county have little in common with residents of Warwick District Council (or Stratford, for that matter), a whole-of-county unitary authority would be a disaster for rural areas. For that reason alone, I would support the South Warwickshire merger"

- 7.11 Indeed, several others appeared to support the prospect of a unitary council in South Warwickshire for reasons of efficiency and simplicity, and so disagreed with the proposed merger as it does not go far enough.

"No point in stopping at merger; go to full unitary council"

"We are only talking of two councils merging so there will still be four sets of duplication in Warwickshire"

"Benefits would accrue from a full South Warks unitary council plus even more savings"

The main concern was the prospect of services being devolved to town and parish councils without associated resource

- 7.12 Although one participant was keen to see more power and service provision devolved to town and parish councils, most others were concerned about the burden this would place on them (as volunteers) and were sceptical over whether the requisite funding would follow.

"The District Councils have not identified the impact on parish and town councils; they will have to pick up the slack when the services deteriorate which they inevitably will; with no money attached, presumably"

"Devolution sounds wonderful, more clout sounds wonderful, but all of those things happen without finance ... what's happening is that we're doing more and more and more and we're doing it cheaper and cheaper. And we're relying on volunteers who are very close to burnout after Covid ... exhausted people who are doing more and more with no resources to back it up"

- 7.13 Moreover, a lack of funding was not the only concern, for one participant noted that Parish Councillors in particular will have neither the time nor the expertise to provide certain services at a local level.

"There's talk about handing powers down to parish councils which is all well and good, but there's nothing coming with it ... so do we want it? We can't cope with it; we don't have the time for it or the resources or the expertise"

- 7.14 It was also argued that using the prospect for greater involvement in planning decision-making and delivering local services as "sweeteners" to gain support for the merger among town and parish councils is "not a valid proposal [because] this could easily be delivered under the current arrangements".

Democratic deficit may be an issue in the event of fewer councillor numbers

- 7.15 Another frequently stated reason for disagreeing with the proposed merger was the potential for democratic deficit as a result of fewer District Councillors across the area. The main fear was that decisions about particular areas would be made by those with little knowledge of local needs, and that access to Councillors would be diluted if they are covering a much larger area.

"I'm concerned about ... decisions being taken by councillors currently in Warwick seats"
"The proposals would see our district councillor covering an area 17 miles long!"
"I'm concerned about the reduction in district councillors. It's a very small saving in cash terms, for a much larger loss of resource"

Communities that already feel isolated may feel even more so within a larger Council

- 7.16 Representatives of rural parishes on the periphery of the two Districts (and especially in Stratford-on-Avon) said they already feel somewhat neglected and removed from the seat of decision-making. This feeling, it was said, will become even more acute in the event of further centralisation.

"Peripheral rural areas like Long Compton are already poorly served and neglected. This will become worse if the organisation becomes even more remote and urban"
"Most of us come from small local villages in Stratford District on the border of Gloucestershire and Oxfordshire ... and we feel like we're the poor man of Warwickshire anyway. If things move further away, we're going to get less of everything ..."

There was scepticism that the stated cost savings would be achieved

- 7.17 While recognising the Councils' need to make financial savings, participants were sceptical about the achievability of the savings proposed and concerned about a lack of accountability if they are not delivered.

"I am concerned that the proposed cost savings may not be delivered ..."
"I remain unconvinced of the financial upside ... and there will be no accountability if the financial savings are not delivered"

- 7.18 There was also a view that £600,000 will be insufficient to support change management, particularly given the Councils' lack of expertise in this area.

"£600k seems too low an estimate"
"No experience of change management is provided. We are being expected to trust these people to get it right first time. I struggle with this ..."

Opinion remained divided on the merger at the end of the session

- 7.19 Ultimately, when asked again at the end of the session (having heard all the background information) whether they agreed or disagreed with the proposal to replace Stratford-on-Avon and Warwick District Councils with a new South Warwickshire District Council, opinion was still divided among the 17 Town and

Parish councillors remaining: six agreed (though only one strongly), three neither agreed nor disagreed, seven disagreed (two strongly) and there was one 'don't know'.

- 7.20 There was, though, a sense that the merger is something of a fait accompli despite the results of the consultation, and that it is up to town and parish councils to prepare for it as best they can.

"It doesn't really matter ... ultimately this will go through whether we like it or not and it's about how we prepare for it and what the impact might be ..."

Alternatives?

- 7.21 Several shared the view that the Councils have not given due consideration to the other options on their short-list in favour of pursuing an "easy win" in the form of a merger.

"I don't think they've thought about the other options. This is an easy win that doesn't shake the boat too much ..."

- 7.22 They were particularly keen to see further exploration of shared back-office services with a wider range of Councils, both within and outside Warwickshire.

"Over the course of the evening, I've changed my view from a tend to agree to a tend to disagree. The conversations have highlighted a lot of opportunities that haven't been explored. Thinking about shared services and back-office functions in particular, which seems to be the main savings generator, I'm surprised Deloitte didn't consider that Rugby also has back-office teams as do all of the other councils, including Warwickshire County Council. And so perhaps we should be consolidating all back-office teams into one ... centralise those services that don't have any direct connection with the population"

"There's an opportunity for many local authorities to share services as opposed to merging councils. I understand the need for cost savings, but why stop at Warwick and Stratford, why not widen the contracts and sharing opportunities beyond that?"

Summary of key points

- **Overall support for or opposition to the proposed merger**
 - Opinion was divided on the merger amongst town and parish councillors
 - Undue consideration had been given to the other options
 - More exploration is needed of the potential sharing of back-office services with a wider range of councils both within and outside Warwickshire
 - There was a belief, though, that the merger is inevitable despite the results of the consultation and that town and parish councillors should prepare for it as best they can.
- **Main reasons for supporting the proposed merger**
 - A merger could support economies of scale and efficiencies
 - More service responsibilities for town and parish councils within local government

- Would stave off the potential unitarisation of the whole of Warwickshire and a step towards a unitary authority for South Warwickshire which would be preferred
- **Main reasons for opposing the proposed merger**
 - Scepticism that the cost savings would be achieved and concern that there would be no accountability if savings were not delivered
 - The funds allocated for change management (£600,000) is considered to be insufficient particularly since the Councils lack expertise in this area
 - The proposal does not go far enough. Would prefer a unitary authority for South Warwickshire which would create more savings
 - Strong concern over the proposed extra burden upon town and parish councillors (volunteers) who do not necessarily have the resources nor expertise to cope
 - Scepticism over whether funding would be made available to support any extra responsibilities expected of town and parish councils
 - Fears over democratic deficit arising from fewer District Councillors – decision makers with limited local knowledge and poorer access to Councillors
 - Rural and peripheral communities which already feel marginalised and neglected believe they will become more so within a larger District Council structure

Voluntary and community sector representatives

Introduction

- 7.23 This section reports the views from an online focus group with voluntary and community sector (VCS) representatives from across Stratford-on-Avon and Warwick Districts. The event took place on the afternoon of 30th September 2021 and was attended by 12 people.
- 7.24 The session was independently facilitated by ORS using two co-hosts: a main facilitator and a secondary host who was able to observe the session as well as address any technical issues arising from the online format. The group followed a pre-determined topic guide which allowed space for a general discussion of the key questions under consultation. A series of information slides were shared at set points during the sessions, which ensured that participants had sufficient background information to actively deliberate on the proposals.

Main findings

The case for change

- 7.25 VCS representatives understood the need for change, suggesting that local authorities' monetary challenges have been evident for many years (even pre-COVID) and that some form of change is inevitable in addressing these challenges.

"It's probably being done for financial reasons, and they don't really have much of a choice, so it's about how to do it in the right possible way ..."

- 7.26 However, some questioned the projected cost savings from restructuring, stating that they had seen little evidence that duplication could be eliminated to such a level that the projected savings would be possible (especially without radical reductions in staffing and service levels). Others were concerned that the cost of consultation, planning and implementing any changes would negate any savings made.

"I was looking in the Deloitte presentation about reducing areas of duplication and ... there wasn't a huge amount of evidence that duplication can be eliminated ... So, I can't see how coming together necessarily automatically enables those savings to happen"

"I'm concerned that cost savings so far will show £400k per year; how are they going to make the rest of the savings without loss of personnel and cuts to the sector and services?"

"There's a big cost to reorganisation too, and that isn't really taken account of when it is carried out"

Which criteria are key to evaluating the restructuring options?

- 7.27 Participants were informed that Stratford-on-Avon and Warwick District Councils recognise there are many different criteria to consider when thinking about the future of local government in the area, and believe it is important for any future arrangements to provide the following:

Local public services: keeping services as local as possible for as many residents as possible

Cost savings: delivering savings to support the overall council budget

Value for money: cutting duplication, increasing economies of scale and improving efficiency

Stronger/accountable local leadership: ensuring residents can/know how to influence decision-making and raise issues with their local councillor, and have a say on how services are delivered

Medium- and long-term sustainability: ensuring frontline services are sustainable in the medium- and long-term.

- 7.28 They were then asked which they considered to be most important but tended to focus instead on what was missing from the list. The general feeling was that the criteria are too budget-driven and statutory, demonstrating a lack of consideration for residents and communities in not referring to improving (or at least maintaining) service quality, effectiveness and outcomes.

"My thought would be outcomes and impact. In terms of outcomes for people, surely that's what the whole thing is about?"

"It's so difficult to measure, and that's probably why it's not on that matrix, but it's the effectiveness of the delivery. Not the efficiency, but the effectiveness"

"Instead of 'improving efficiency' it would be nice to see 'improving quality' or something recognising that we want services to be better than they are now ... As you look at that list, it's difficult to get excited about any of that ... 'Ensuring front-line services can be maintained', I mean, really? Is that the best we're hoping for? Aren't we hoping we can do better for people?"

- 7.29 Moreover, it was said that the inclusion of something around tackling inequality and empowering and developing resilient communities would have been prudent in light of pandemic recovery.

"I don't think there's anything that speaks about communities. So, nothing about resilience or empowering, or supporting local places and tackling inequalities ... I think that actually there's a lot – especially off the back of COVID – about local places and empowering them and building resilience and that kind of agenda ..."

- 7.30 Ultimately, there was a sense that the criteria were chosen to emphasise the Councils' financial challenges and support the need for a merger as opposed to being used to determine that it would indeed be the most appropriate and desirable way forward.

"It doesn't sound like they're looking into whether this is right, but they're doing a 'this is why we are doing this'"

"It's not about communities or change or empowering people. That's 'this is what we're trying to do to protect our two Councils, and the only way we can do that is to merge our two Councils together'"

"There's nothing on there that stands out as 'why's it going to be better?'"

A new South Warwickshire District Council?

- 7.31 There was some recognition among VCS representatives that a merger could yield economies of scale and efficiencies – and potentially simplify channels of communication for those working in the sector across the two areas.

"It might reduce the multiple communication levels that we have and our needs to be very flexible and different in approaches"

"There are definite differences from the perspective of an organisation that covers the whole of Warwickshire, having fewer organisations that we have to work with ... would make it easier for us"

- 7.32 However, there were many more issues of concern raised during the group, particularly around:

The differences between the two Districts, and how to reconcile them

The potential for the dilution of service provision within a larger Council

Democratic deficit and isolation as a result of less local representation

The importance of strong relationships between Council staff and the VCS

The wellbeing of frontline staff

Council engagement with the VCS throughout the decision-making process.

Stratford-on-Avon and Warwick Districts (and District Councils) are more different than stated

- 7.33 Taking each of these issues in turn, participants were firstly of the view that Warwick and Stratford are not as similar as is outlined in the Councils' consultation document, neither demographically nor geographically

(with Stratford-on-Avon being much more rural and dispersed). Moreover, there is apparently a different ethos and varying ways of working within the Councils themselves, driven by a need to consider different population issues and needs.

"We'd also say that on top of the geography and demographics that a significant difference would be the population dispersal ... The needs are very different in Stratford district because of how much it costs us to meet people as opposed to meeting people who live closer together in urban settings. But also, the urban settings can generate different issues, so in a way they're almost impossible to compare ..."

"I think the ethos of the Councils is different, the issues they talk about are different, the areas of need and types of need are slightly different, and the service provision is definitely different ... they look the same on paper, but I was thinking my experience is quite different"

- 7.34 In light of this, there was a definite feeling that a merger would not be as straightforward as it may seem 'on paper'.

"I don't mean to say that bringing them together would necessarily be a bad thing ... what I'm saying is there are significant differences that might make their alignment rather difficult to negotiate"

"If people start moving around there will be a bumpy period ... we're talking about multiple departments, multiple officers, and multiple teams all coming together ... It's not going to be a simple roll-out"

The VCS has positive relationships with existing Councils and officers, and there is concern these will be lost

- 7.35 Coupled with concerns around the potential dilution of priorities and services was worry around the loss of positive relationships between existing district council officers and the VCS, and the need for proper handover of knowledge and information in the event of a merger to avoid adverse impacts on services and communities.

"... we really value the relationships that we have with our community officers and their expertise. So, whilst there's going to be cuts ... there's that recognition of the expertise that they bring, and the relationship work that they do"

"... we've worked and created really strong relationships within our areas ... I'm not saying I'm averse to [a merger] but ... having worked in two-tier council structures, relationships are quite strong, and I think people are concerned because when relationships change services can be impacted and communities can be impacted, and particular groups can be impacted ..."

"What tends to get lost is the handover of little things ... it's the knowledge that gets lost because not enough time or money is spent to make sure that handovers are correct ..."

- 7.36 Indeed, one participant with knowledge of an operational Council merger elsewhere was of the view that service provision can become less effective as officers' local knowledge and understanding becomes diluted.

"Officers have often only ever worked in one area and now they're working in two and their knowledge base is very much based on one of those areas. So, depending on which officer ends up in post ... it really depends on that knowledge base. From our perspective it can be quite difficult to work with someone who has no idea about the area they're working with"

- 7.37 This was echoed by several others, who offered their own experiences of service dilution as a result of centralisation.

"I think it's really important that we think about the dilution of service. I was working ... 25-30 years ago in Stratford District Council in a small office ... and we were extremely local. We knew our area and our area knew us. Then, those small local offices closed, and everything was brought into a central area in Stratford, and people complained that they weren't getting the service that they had been getting. I think that we were less efficient ... our communities didn't know us, and we didn't know our communities. This is just going to dilute everything a lot more. Having been in that situation on a much smaller scale, I worry about this merger for the communities"

"One of the things that we've experienced is that as you start to consolidate staff into taking on different roles ... we start to lose the specialism that some staff have ..."

"Despite some of the rhetoric that comes out with good intentions ... the reality is that services have shrivelled away back to the centre, so the tentacles aren't in the community ... and it's harder and harder for the most vulnerable people to get the support that they need ..."

- 7.38 Related to this, there was a fear that if job roles are combined within a new Council, the retained officers' unconscious bias toward their own District would mean organisations in the other District would be *"battling"* for recognition and resource.

"Let's say if it goes ahead and the retained officer represents both areas ... if that retained officer's knowledge is of one area, then it will be a steep learning curve to understand the needs of the other area ... And our job will be almost battling or fighting for profile for the area that might lose out"

"We don't want ... resourcing disappearing or going into single pots where decisions are made from what can be perceived as a lack of knowledge"

Communities that already feel isolated may feel even more so within a larger Council

- 7.39 It was said that Stratford-on-Avon's more peripheral communities already feel somewhat isolated and remote from the seat of decision-making, and that this feeling would likely be magnified in the event of a merger. Indeed, there are apparently already rumours that services will be provided from Warwick in the main, and so a strong communication strategy was thought to be needed to alleviate concerns on this front.

"I think some of the communities do feel quite isolated already, especially in the south. I don't think they really feel a part of Stratford. So, I think there are going to be some concerns ... there's a little bit of scaremongering that all services are going to end up in Warwick, so there's definitely work that needs to be done on sharing the communication. It's very typical of rural areas where they think things are going to be taken further away from them because they already don't have access or more difficult access anyway"

- 7.40 Similarly, participants felt that communities and groups currently identified as priority by existing Councils should remain so for any new authority to ensure that those in greatest need continue to receive Council services. It is also important, though, to be mindful that disadvantage can happen anywhere and so no area should be forgotten and left behind.

"In terms of areas that are identified as a priority for each of the local authorities ... would that become diluted once they come together? So, I can see that there might be certain places in each of the districts that are prioritised in terms of where they put their resources, but when that comes together, and they have to re-jig that, will those priorities remain?"

"There are areas of greatest need, or priority neighbourhoods, groups of people who essentially need additional support ... but we have to make sure that focusing on the areas where you can have the most impact doesn't mean that other people are left without anything"

The wellbeing of frontline staff must be considered

- 7.41 The wellbeing of frontline staff was another issue of significant concern for the group, particularly with respect to increased workloads and subsequent burnout in the event of combining roles. This, it was felt, would ultimately lead to reduced community outcomes as a result of staff not working at their best.

"... One of the savings, potentially, is a reduction in staff ... [and] avoiding duplication. The danger I think with that is: does the work decrease? You've got the same level of work but half the resource to deal with it. I think that leads to burnout and what that leads to is the impact on the wellbeing of staff ..."

"Ultimately, it's about the outcome to the community, isn't it? And is that going to be diminished if the resources are less?"

- 7.42 One particular issue in relation to staff wellbeing was the expectation that a merger would mean additional travel: this has apparently been a driver for people leaving in other areas that have merged (politically and/or operationally). Indeed, those with experiences of such mergers highlighted the adverse impact they have had on staff wellbeing.

"I've seen some real angst in staff from the Council in Redditch and Bromsgrove and it's not a position you'd want to put anybody in ..."

- 7.43 There was a strong sense that these ‘hidden’ costs of reorganisation (that is, the impact of change on motivation, mental health and wellbeing) have been somewhat ignored as a result of the focus on making financial reductions.

“It needs to be solved ... But what it does need to include is those hidden costs; personal and financial, motivation of staff, increased impact on mental health and wellbeing ... hidden costs in terms of service delivery and service quality”

The VCS should not be put under undue pressure as a result of any merger

- 7.44 There was considerable disappointment among participants that there was no mention of the VCS and its potential role within any new structure in the consultation document, and it was stressed that the VCS should not be expected to ‘pick up the slack’ of service provision given that it is already under considerable financial and resource pressures itself.

“I think that the voluntary sector does a significant amount of work ... we are a professional workforce that cuts across economy, housing, communities and health and wellbeing. So for us not to be recognised as part of the strategic work that’s happening in the local authority probably shows that it was an accountant who wrote the documentation in terms of value”

“The assumption that the voluntary sector can just automatically pick up more and more of the heavy lifting ... that this can continue to be expanded and expanded needs to be seriously challenged”

“The pushing downstream of responsibility to the third sector will inevitably put pressure on all the things that we try to do so admirably”

- 7.45 If increasing responsibilities for providing services are to be expected of the sector then participants argue for the sector’s involvement in decision-making and ongoing discussions moving forward and for proper resources to support the sector’s activities on behalf of a newly formed Council.

“A strong voluntary sector brings hundreds of thousands, if not millions, into our area. So, if you’re looking to save money then making sure that we’re in a great place to help your residents is a great starting point. To do that, we need really good partnerships ... we need to be involved in the conversation to make the biggest difference”

“Part of me thinks that it would be really good to see leadership from the sector having a key role in this reorganisation at a senior level in terms of representing and reflecting the services in the sector. I suppose it’s also about resources as it can’t be done on the cheap. If the voluntary and community sector needs to play a bigger role then there’s an issue about resourcing that to the satisfactory level”

- 7.46 Indeed, co-production was suggested by several participants as a means of ensuring the voluntary and community and statutory sectors can develop suitable solutions to existing and future challenges.

“Talk to the voluntary sector first and we can say ‘actually, we can help you do that better if you do this and this’. So, if they’ve got a proposal, let’s look at it together ... The only way we’re going to move forward on this and make it sustainable is by working together and communicating ...”

“There’s something about co-production in terms of having an influence at the top table, not just having it decided at the top and handed down ... making sure local knowledge and expertise, [and] understanding of the communities is fed into that process”

Positive communication is essential

- 7.47 One participant stressed that, should the merger go ahead, it will be essential that it is seen as just that - a merger - rather than a takeover of one council by the other. This, it was said, would send out a clear message that the proposed new organisation is being established to work together for the benefit of residents, and hopefully alleviate any potential resentment from the area perceived to be being taken over.

“I’ve seen it happen and it takes a long time to work through in terms of resentment and ways of working other things. That increases your hidden costs and diminishes quality of service etc. So, it’s an important consideration and sends the right message”

Alternatives?

- 7.48 Participants sought assurance that the Councils have indeed explored all avenues for operational efficiency prior to settling on a merger and its associated disruption as their preferred option.

“Before you actually work through that merger ... work through all that waste and become more efficient before you come together. If you find it produces the savings you want as an entity then you don’t have all the downsides as in additional costs, impact on staff and all the hidden costs, which are quite considerable ...”

“A lot of the things like cutting duplication, joint commissioning of services is already happening so why not bare down on those before you actually join together”

- 7.49 Indeed, when referring to the criteria discussed earlier (local public services, cost savings, value for money, stronger/accountable local leadership and medium and long-term sustainability), one participant suggested that all of these are achievable within existing structures and that:

“Presumably other councils throughout the country are doing that as we speak; not all are joining together”

Summary of key points - Voluntary and Community Sector

- **Overall support for or opposition to the proposed merger**
 - Acceptance of the need for change owing to local authorities' financial challenges
 - Not convinced of the benefits of full merger: reassurance is needed that all possible avenues have been explored for operational efficiency prior to instigating it and its associated disruption
- **Main reasons for supporting the proposed merger**
 - A merger could yield economies of scale and efficiencies
 - Could simplify communication channels between local authorities and community/voluntary sector organisations
- **Main reasons for opposing the proposed merger (also mentioned by stakeholders in support of the merger)**
 - Insufficient evidence that duplication would be eliminated to provide the level of savings proposed without radical reductions in staffing and service levels
 - The costs of reorganisation have not been accounted for in the Deloitte presentation. Neither had the 'hidden' costs of reorganisation been mentioned – the impact of change on motivation, mental health and wellbeing of staff
 - A merger would not be as straightforward as envisioned since Warwick and Stratford are not as similar as outlined in the consultation document. The geographical and demographic differences and differing local issues and needs have shaped the ethos and different ways of working between the two Councils
 - VCS should not be expected to 'pick up the slack' of any service provision given the financial and resource pressures under which they currently operate
 - Concern over a potential loss of positive working relationships with existing council officers and the VCS
 - Fear that service provision would become less effective with the dilution of officers' local knowledge and understanding or that retained officers would be unconsciously biased towards their own district
 - Communities that already feel isolated would feel more so under a larger council
 - Concern over the wellbeing of frontline staff and increased workload arising from combining roles. This would lead to reduced community outcomes
- **Suggestions**
 - A proper handover of knowledge and information at merger to avoid adverse impacts on services and communities
 - A strong communication strategy to:
 - allay residents' fears and dispel their rumours and concerns that a merger would increase their remoteness and isolation from the centre of decision making
 - provide reassurance that it would be a merger rather than a takeover and designed for the benefit of residents
 - Communities and groups currently identified as priority by existing councils should remain so under any new authority to ensure those in greatest need continue to receive council services and support
 - If more is to be expected of the VCS under the new structure, then the sector should be involved in decision making and ongoing discussions going forward. It should also receive resources to properly support its activities on behalf of the newly formed council.

8. Submissions

Introduction

- 8.1 During the formal consultation process 18 written submissions were received. The table below shows the breakdown of contributors by type.

Table 10: Summary of written submissions received

TYPE OF CORRESPONDENT	NO. RESPONSES	NAME OF ORGANISATION
Local authorities	4	North Warwickshire Borough Council Nuneaton and Bedworth Borough Council Rugby Borough Council Warwickshire County Council
Town and Parish Councils	9	Bishop's Tachbrook Parish Council Great Wolford Parish Council Harbury Parish Council Kenilworth Town Council Kineton Parish Council Napton on the Hill Parish Council Royal Leamington Spa Town Council Stratford-upon-Avon Town Council Tysoe Parish Council
Other organisations	5	Shakespeare's England South Warwickshire NHS Foundation Trust Stonewater The Stratford Society University of Warwick
TOTAL	18	

- 8.2 ORS has read all the written submissions and reported them in this chapter; none have been disregarded even if they are not expressed in a "formal" way. Readers are encouraged to consult the remainder of the chapter below for an account of the views expressed.

Please note that the following pages report the views expressed by submission contributors. In some cases, the opinions may or may not be supported by the available evidence. ORS has not sought to highlight or correct those that make 'incorrect' statements, for we are not auditors of opinions. This should be borne in mind when considering the submissions.

Local authority submissions

North Warwickshire Borough Council

- 8.3 North Warwickshire Borough Council (NWBC)'s view is that the proposal is primarily a matter for the Elected Members and residents of Stratford-on-Avon and Warwick Districts. It is content with the proposal given that it has been approved by Councillors at the respective Councils, but does make the following comments:

The proposal is seemingly wholly driven by the need to save money rather than as being the governance model of choice, and it would prefer local government to be funded appropriately so that such decisions are not driven by financial necessity;

It deeply values the roles of District/Borough Councils in representing meaningful places and therefore would not, in general, support larger Council arrangements. It acknowledges, however, that South Warwickshire is a definable, coherent place and that the proposal works hard to ensure the resultant Council will stay close to residents;

There is no reason why this proposal should be regarded as contrary to Government policy. The expected measures will ensure the two-tier county can work together and with Government for *“an exciting, transformative county deal which will help the county ‘Level Up’ in general but in particular help bring all areas ... closer together, given the very marked differences between South Warwickshire and North Warwickshire, Nuneaton and Bedworth and Rugby”*; and

It considers it appropriate to reflect in detail on the risks and exit strategy should councillors wish to reverse this decision.

Nuneaton and Bedworth Borough Council

- 8.4 Nuneaton and Bedworth Borough Council feels that the merits, or otherwise, of forming a South Warwickshire District Council is a matter for the elected members and residents of Stratford-on-Avon and Warwick Districts to decide upon, so long as it is strictly limited to reform at a District council level only. Hence, it makes no comment either in support of or against the proposals.

Rugby Borough Council

- 8.5 Rugby Borough Council (RBC) notes that the Councils' financial pressures and the impact of Covid have driven their elected members to pursue this option. For that reason, it considers this as a matter primarily for the elected members and residents of both districts.
- 8.6 RBC also notes that both Councils recognise the value of the role district/borough councils play at place level, including serving the local population to meet health and wellbeing needs and supporting local economic growth – and delivering on the Government's levelling up priorities. Therefore, it does not consider the proposals for a South Warwickshire District Council to be contrary to supporting the national agenda, nor does it consider the proposal to be a driver for local government reform within Warwickshire.
- 8.7 Overall, RBC confirms its support for the proposal and looks forward to working with all tiers of local government across Warwickshire and wider partners on a County Levelling Up deal.

Warwickshire County Council

- 8.8 Warwickshire County Council feels that once a submission about the merger is made to the Secretary of State for Levelling Up, Housing and Communities, this will lead the Secretary of State to trigger a review of local government structures across the whole of Warwickshire. Consequently, it fully expects the Secretary of State to initiate a consultation on local government reform in Warwickshire. As such, it is considered more appropriate for Warwickshire County Council to engage when the Secretary of State consults with it following Stratford-on-Avon and Warwick's proposals for merger.

Town and Parish Council submissions

Bishop's Tachbrook Parish Council

- 8.9 Bishop's Tachbrook Parish Council (BTPC) accepts the reasoning behind the financial need for closer working between Stratford-on-Avon District Council (SDC) and Warwick District Council (WDC) from both a financial and an efficiency perspective. In addition, it accepts that, given notable inflationary pressures, the status quo is unlikely to be sustainable without both efficiency savings and increased funding to councils.
- 8.10 BTPC also notes references to further empowerment and dedicated support for parish and town councils which, it feels, may be welcomed. However, it also says that *"further detail would need to be provided and safeguards put in place to ensure that anything promised is actually delivered"*.
- 8.11 As both Councils will have different stand-out specialist officers, BTPC suggests that there is operational benefit to those specialists *"being deployed with a wider remit in a leveraged model"*. This, it is hoped, will deliver a better service for the taxpayer – for example by reducing planning permission lead times.
- 8.12 However, BTPC does not support the merger at the political level, as it believes this will result in reduced local autonomy and democratic representation, which *"is critical to the wellbeing and prosperity of an area"*. The Council says that Bishop's Tachbrook has experienced first-hand the implications of having the decisions for their community made by representatives living on the other side of the District, which has *"resulted in some poor planning decisions and a woeful level of investment in infrastructure ..."*.
- 8.13 BTPC also believes that the proposed political merger will reduce the power of residents across both Districts as the voice of their individual ward Councillors will be diluted. It says that the proposed South Warwickshire Council will not be a 'local council' which will lead to a loss of democratic accountability.
- 8.14 Ultimately, whilst BTPC feels the financial benefits of the merger are clear, it believes that such synergies could be realised through greater co-operation (and potentially integration) between both Councils at the operational level, whilst still remaining separate politically. It also says that while the benefits of working together are already being borne out in some areas and the forecast cost savings from this should be applauded, the Councils should consider how they can achieve these benefits *"whilst ensuring and enshrining the preservation of local democratic accountability for the coming decades"*.
- 8.15 Finally, BTPC notes that SDC has been under the control of one political party for most of its existence; but that WDC is presently under no overall control. It is thus considered important that the decision to merge considers the political ramifications (both short and long term) and is seen to deliver a result that does not favour any party.

Harbury Parish Council

- 8.16 Harbury Parish Council is broadly supportive of the move to merge SDC and WDC as the two areas share a similar demographic and both are characterised by a small number of larger settlements amidst a mainly rural district. Merging the two authorities will, it is said, *“encourage a more strategic and holistic approach to policy making”*. It does, though, urge that any efficiency savings made are directed towards maintaining or enhancing service provision *“and not towards tax cutting”*.

Great Wolford Parish Council

- 8.17 Great Wolford Parish Council recognises that there are advantages to combining the two Councils to deliver economies of scale and reduce duplicated costs across a wide range of services. The Council recognises and supports moves that have already been made to work together to reduce costs.
- 8.18 However, the Parish Council finds itself unable to give the proposal its full support because council tax in Stratford-on-Avon could well rise to match the levels in Warwick with no corresponding improvement in Council services. Being a rural parish some distance from the centres of population, Great Wolford is *“even less likely to see any improvements in services in our immediate area, even if council tax does rise”*.
- 8.19 The Council also feels that the projected savings of up to 3.9% of existing costs after five years seem very small and that there is a risk they may not materialise, and notes that the number of District Councillors will be reducing.

Kenilworth Town Council

- 8.20 Kenilworth Town Council (KTC) welcomes the intention that the merger *“will ... make our local government more resilient and better able to help local communities tackle challenges such as the climate emergency or a future pandemic, while also continuing to improve our current services by ... enhancing local democracy by creating tailored services to support and strengthen the work of parish and town councils.”*
- 8.21 The Town Council says it has benefitted from support provided by WDC, and that as the scope of its obligations has expanded in recent years, the need for ongoing support from District Council officers is likely to increase. It would, therefore, like to hear more about the new *“tailored services”* which will *“strengthen the work of parish and town councils”* as set out in the case for the merger, and to receive assurances that the current level of support received will be continued under the new South Warwickshire District Council.
- 8.22 KTC also understands that there is an opportunity to consider whether some local services currently provided to Kenilworth by the District Council might be devolved, together with the funding, to the Town Council. If the merger is agreed, it would *“want to open a dialogue with both Councils to review the current range of services and look at which, if any, might be suitable for devolution”*.

Kineton Parish Council

- 8.23 Kineton Parish Council (KPC) fully understands the urgent need for both District Councils to reduce an imbalance between income and expenditure and supports the inevitable financial benefits of joint working. However, it is unable to give unreserved support to the proposal because there is limited detail available to indicate why the benefits forecast from the existing joint working arrangements will be enhanced by a total amalgamation of both District Councils. It is also far from convinced that a full merger will achieve all the financial savings forecast without a reduction in benefits and services at a town and parish council level.

- 8.24 KPC feels the consultation has been silent on the differences between the two Council areas and how they could be addressed. While the recommendation to merge is being presented as a joining of equals with each needing to make a similar level of savings, KPC says that the savings and benefits will fall disproportionately on the individual Councils. For example, if Warwick District Council (WDC)'s costs are 9% of total council tax paid compared to 8% for Stratford, then WDC's cost base is 12.5% higher – a consideration further supported by the Band D council tax charges of £149 for Stratford-on-Avon District Council and £177 for WDC.
- 8.25 Democratically, the Councils are said to be mismatched, with 110 town and parish councils in SDC but only 35 in WDC. KPC questions how the proposed new District Council would relate to and link with the disparity.
- 8.26 KPC suggests that insufficient information has been provided on the way new development needs will change and the impact of this on local communities. KPC was the first Main Rural Centre in the SDC area to establish a "made" Neighbourhood Development Plan and KPC is concerned that the policies established by this Plan will be *"significantly eroded if the merger takes place, and before any Local Plan is formally established"*.
- 8.27 In relation to planning matters, KPC notes the suggestion that merging could ensure closer working between planning officers and parish and town councils, with the potential for increased decision-making powers for those councils. It argues that such powers could be introduced without a merger and that there is no detail to explain how the costs of providing the necessary additional skills at local level would be funded and met.
- 8.28 Finally, KPC has concerns about the potential for a reduction in local services as a result of a merger and a reduction in District Council costs. It notes that the option for town and parish councils to take on the delivery of more services has been presented as a potential advantage, but with no detail to explain which services might be affected in this way or, again, how the costs of providing the necessary additional skills at local level will be funded and met.

Napton-on-the Hill Parish Council

- 8.29 Napton on the Hill Parish Council:

Can see the sense in trying to combine some services but would want to see satellite provision spread across the District in the form of 'one stop shops' or information hubs in some towns and larger villages to ensure the public still has access to information about services;

Would only support a merger if the discretionary services it is designed to protect are maintained;

Is reluctant to take on additional services as it has neither the expertise nor the staff to deliver them;

Is concerned that devolving services to parish councils would inevitably result in a precept increase shifting the financial burden of provision from central government onto council taxpayers;

Is against the idea of merging parish councils as it would result in a loss of local representation; and

Is not against the proposed merger provided it results in better services for communities.

Royal Leamington Spa Town Council

8.30 Royal Leamington Spa Town Council:

Recognises the financial and operational challenges being faced by the existing District Councils and the potential implications for service delivery;

Acknowledges that there may be benefits from a new Council operating at a larger scale, but emphasises the need to maintain local dialogue and capacity to engage at the local level;

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

Requests that capacity to deliver events and projects in Leamington Spa is considered and maintained;

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

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

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

Stratford-upon-Avon Town Council

8.31 Stratford-upon-Avon Town Council:

Supports cost-saving by sharing jobs and sees merit in sharing services;

Feels there would be a democratic deficiency if wards were increased, impacting negatively on localism;

Questions what additional costs and responsibilities, if any, will be handed down to town and parish councils;

Suggests that one unitary council for Warwickshire would be far too large and would impact on local democracy, but that splitting the area into two - with a southern and northern unitary authority - may address this imbalance, *“which would do away with the need for district councils”*; and

Feels that unitary authorities remain ‘the elephant in the room’ and that *“a merger to get a super district on the way to perhaps getting something else (unitary) is not the answer”*

8.32 Overall, the Town Council finds *“the consultation lacks clarity, is confusing and there is concern over the transparency of its compilation”*. It also feels that if the status-quo is not on the table, any merger should safeguard local democracy at its grassroots.

Tysoe Parish Council

8.33 Tysoe Parish Council (TPC) very reluctantly supports the proposed merger but only as a steppingstone to a unitary council for South Warwickshire. TPC finds the forecast savings of £10 million per annum to be non-credible, especially at a cost of only £600,000 over three years. Its view is that these savings will not be realised and that only by progressing to a unitary council will substantial savings be made.

- 8.34 TPC is also very concerned by the likely reduction in District Councillor numbers as a result of the merger, which will lead to diluted representation for residents. TPC also believes that some services will be delegated to town and parish councils, who are *“ill-equipped to carry out such services”*. It also says that *“by making the town and parish councils service providers they will eventually become politicised; a step that ... must be avoided”*.
- 8.35 TPC’s reluctant support of the merger is driven by its belief that a ‘do nothing’ option does not exist and that *“if no action is taken one or both of the District Councils will become insolvent, something that must be avoided”*.

Other organisations’ submissions

Shakespeare’s England

- 8.36 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.
- 8.37 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, as opposed to one geographical area *“trying to out-do another in attracting visitors”*. It is said that visitors have no concern for boundaries, and that *“it makes the job ... far easier if [we] can ... suggest products based on the client’s needs and not have to be restricted by boundaries on a map”*.
- 8.38 Shakespeare’s England says that it has achieved this successfully over the last few years and pre-pandemic were attracting 10.6m visitors to South Warwickshire. However, it also says there will always be slightly varying priorities when dealing with two separate authorities, even in close partnership – and that bringing the two together will *“only ever be seen as a positive move”*.
- 8.39 Finally, Shakespeare’s England feels there will be many challenges ahead post-pandemic, one of which will be offering a sustainable carbon neutral product, as well as one that is accessible to all. Both of these are apparently high on the agendas of SDC and WDC currently and *“working together as a single unitary can only make the delivery of these goals more achievable in a shorter time frame”*.

South Warwickshire NHS Foundation Trust

- 8.40 South Warwickshire NHS Foundation Trust (SWFT) says that as NHS legislative changes progress through Parliament it, 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”*.
- 8.41 For SWFT, this is an important development as it is working on a planning assumption that 80% of NHS services will be planned and delivered locally in South Warwickshire by NHS Trusts and Primary Care. It feels that the proposal to merge and create a South Warwickshire District Council demonstrates evidence of a credible geography and aligns with the Trust objective of *“serving our communities and working collaboratively with partners to improve Health and Wellbeing of our South Warwickshire population”*. The Trust also sees this move as an opportunity for even closer alignment with colleagues at Warwickshire County Council.

8.42 In conclusion, SWFT recognises the drivers for change and supports a formal merger.

Stonewater

8.43 Stonewater (which manages and owns 329 homes in Stratford-on-Avon District and 828 homes in Warwick District) supports the proposal to merge the two Councils and understands the rationale. It feels that *“the demographics and geography of both districts are similar enough that this would be sensible”*.

8.44 Stonewater does raise a couple of issues of concern though, as follows:

When advertising properties in Stratford-on-Avon District, it is currently only provided with one nomination at a time rather than the entire shortlist. If this nomination fails, the team then has to wait for the next one to come through which can cause delays in filling vacant homes. In Warwick it receives the full list, but often it can take a while to come through. Letting properties in a timely manner is a significant KPI for Stonewater and so its housing management team would welcome the opportunity to work with the Councils' housing teams both before and after any merger to find a positive solution to ensuring that homes can be filled quickly; and

There are a small number of schemes in Stratford-on-Avon and Warwick that have anti-social behaviour issues, and Stonewater would like to understand how the merger would affect the working of the Community Safety and Domestic Abuse services within the area and would like to work closely with the Councils' teams to make sure the transition is seamless.

The Stratford Society

8.45 The Stratford Society recognises that financial pressures have become so strong that a merger needs to be considered as an essential means to protect and support local services. It also feels there might be other benefits given the geographical cohesion of the two authorities and their common interest in the business, cultural and tourist economy. It is said that *“South Warwickshire as a unit has a defensible identity and a sound basis for future administrative reform”*.

8.46 However, though the Society considers the principle to be a good one, it is not without consequences – for example:

Will local interests, discrete to individual towns or localities, be prejudiced, particularly in the context of planning?

Have the Councils looked at how they are to be protected by the administrative and decision-making systems they will set up?

Have the financial consequences of a merger been fully researched and explored, as *“there have been too many examples of reform in different areas of public life based on financial assumptions which prove not to be accurate”*.

8.47 The Society concludes that though the principle of merging is endorsed, it should be pursued only after all possible issues have been fully explored. However, it feels that the consultation gives no indication that they have or will be inasmuch as *“a decision to proceed is to be taken in December only after a consultation that closed at the end of October, which leaves scant time for this critical exercise to be done”*.

University of Warwick

- 8.48 The University of Warwick sees a unified South Warwickshire as hugely advantageous to the people and communities of the area and to the interests of the University. It is very happy to support the preferred approach to create a new single District Council for South Warwickshire because:

Its estates and wide-ranging activities span the length of both Districts;

Both Districts perform extremely well in terms of Gross Value Added and are home to many innovative firms – and there is an extremely strong cultural offer and a high quality of life. Taken together, this *“presents a strong narrative to celebrate the combined area”*;

The proposed Council would be one of the largest in the country in terms of population and economy and cover many of the cultural strengths of the region, which would amplify its influence for the benefit of both districts;

Activities such as the Local Plan and Economic Strategy are already under joint development; and

In light of the significant financial challenges facing local councils and the potential for shared activities, it recognises the opportunity to increase efficiency.

- 8.49 The University says it will continue to offer support through its research, innovation and skills offers; through business support and encouraging start-ups; and through cultural engagement. At the same time, it feels there are opportunities to align further, such as tackling the climate emergency and health and social inequalities – issues that benefit from working in close partnership.

Summary of key points

➤ Overall support for or opposition to the proposed merger

- General recognition of the need for change to meet financial challenges and protect services
- Status quo generally considered unsustainable
- Ten submissions were in support of the proposed merger (Rugby Borough Council; Harbury Parish Council; Kenilworth Town Council; Napton-on-the-Hill Parish Council; Tysoe Parish Council; Shakespeare's England; South Warwickshire NHS Foundation Trust; Stonewater; The Stratford Society; University of Warwick)
- Three submissions were opposed to the proposed merger (Bishop's Tachbrook Parish Council [though it was supportive of a merger at an operational level], Great Wolford Parish Council; Kineton Parish Council)
- Five submissions were neutral or non-committal about the proposed merger (North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council; Warwickshire County Council; Royal Leamington Spa Town Council; Stratford-Upon-Avon Town Council)

➤ Main reasons for supporting the proposed merger

- Recognition of the financial and operational challenges faced by the District Councils and the potential implications for service delivery
- Protection of local services (the support of some was conditional on this)
- Economies of scale and reduced duplication
- More resilient local government
- South Warwickshire is a definable, coherent place and the two Districts share a similar demographic and geography
- A more strategic approach to policy making and working with partners in e.g., health and tourism
- Does not undermine the 'levelling-up' agenda
- Potentially enhanced role for town and parish councils (providing it is accompanied by adequate support and resource)
- Larger Council would have greater influence regionally and nationally
- Supported ONLY as a steppingstone to a unitary council for South Warwickshire by one contributor

➤ Main reasons for opposing the proposed merger (also raised as concerns by several of those generally in support of it)

- Reduced local autonomy and democratic representation/accountability
- More remote governance and decision-making processes
- Potential political ramifications (i.e., Stratford is a stable Conservative area, whereas Warwick is more liable to change)
- Potential for council tax rises in Stratford-on-Avon District (with no corresponding improvement in council services)
- Scepticism that forecast savings are achievable
- Many stated benefits can be achieved without full political merger
- Lack of detail on the support that might be offered to town and parish councils in the event of service devolution (which in itself is not desired by some)

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GYLLYN WARBARTH
TOGETHER WE CAN

LOCALISM IN CORNWALL

THE POWER OF COMMUNITY

**What matters most is
Localism's potential to
strengthen communities
and improve peoples' lives.**

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FOREWORD

“WHAT MATTERS MOST IS LOCALISM’S POTENTIAL TO STRENGTHEN COMMUNITIES AND IMPROVE PEOPLES’ LIVES”

As we emerge from the impact of Covid – 19, the volunteering response that we have witnessed has been truly awesome - definitely Localism in action.

The power of Localism has been the bedrock of Cornwall’s response to coronavirus. Just as thousands of daily acts of community kindness have helped people through lockdown, this spirit of Gyllyn Warbarth – Together We Can will aid Cornwall’s recovery and renewal from the pandemic.

Thousands of residents have shared their hopes for the Cornwall we want, and shaped our vision to be “leading in sustainable living for the wellbeing of future generations”. Everyone has a role to play to create the Cornwall we want. Over one in three residents have told us they want to help others in their community, and seven in ten people say they are willing to sustain changes to how they travel and work to benefit nature and tackle climate change. This strategy sets out how we will empower and work with compassionate communities across Cornwall to achieve our shared vision for the future.

This collective of community effort is something we must not lose. We must cultivate, support and develop it and ensure this energy and commitment continues.

I see the same commitment and passion within our communities tackling climate change, which needs the same support and cultivation.

As we focus on recovery and renewal and we embrace and establish the new normal, we must bounce forward not back and ensure that our commitment to Localism is at the heart of how we work with and support our communities to deliver our ambitions.

We must harness the learning from recent events. We must be bold and support the communities that have been so important during these difficult times. Our commitment to Localism outlined in this strategy will enable us to collectively deliver our ambitions.



Edwina Hannaford,
Portfolio holder for Climate Change
and Neighbourhoods



RAGLAVAR

"AN DRA AN MOYHA A VERN YW GALLADOW LEELIETH DHE GREVHE KEMENETHOW HA GWELLHE BEWNANSOW A DUS"

Ha ni ow tos yn-mes a'n strokas a Covid-19, an gorthyp bodhegi re des'syn ni re beu marthys yn hwir – yn tevri, Leelieth owth oberi.

An gallos a Leelieth re beu an selven a worthyp Kernow dhe Goronavayrus. Poran kepar dell veu tus gweresys dres an termyn yn-dann naw alhwedh gans milyow a wriansow dedhyek a guvder kemenethek, an spyrys ma a Gyllyn Warbarth a wra gweres yaghheans ha nowydhys Kernow dhyworth an pandemik.

Milyow a anedhysi re gevrennas aga govenegow a'n Gernow a vynnyn ha re furvyas agan gwel dhe vos "ow ledya yn bewa sostenadow a-barth sewena henedhow devedhek". Pubonan a'n jeves rann y'n gwrians a'n Gernow a vynnyn. Moy ages onan yn mysk tri annedhyas re leveris dhyn y fynnonn gweres tus erel y'ga hemeneth, ha seyth yn mysk deg den a lever yth yns bodhek dhe besya gans chanjyow yn fatel viajyons hag oberi rag ri prow dhe natur hag attamya chanj hin. An strateji ma a dhiskwa fatel wren gallosegi hag oberi gans kemenethow tregeredhus a-hys Kernow rag drehedhes agan gwel gevrynnys rag an termyn a dheu.

An kesoberyans a strivyans kemeneth ma yw neppyth na res dhyn y gelli. Res yw dhyn y wonis, y skoodhya ha'y dhisplegya rag surhe dhe besya an nerth ha'n omrians ma.

My a wel an keth omrians ha passyon a-ji dh'agan kemenethow hag i owth attamya chanj hin, chalenj a'n jeves edhom a'n keth skoodhyans ha gonisogeth.

Ha ni ow fogella war yaghheans ha dasnowydhys ha ni ow pyrta ha fondya an normal nowydh, yth yw res dhyn a aslamma yn rag a-der a-dhelergh ha surhe bos agan omrians dhe Leelieth orth kolon an fordh may hwren ni skoodhya ha kesoberi gans agan kemenethow rag delivra agan ughelhwansow.

Res yw dhyn hernessya an dyskans dhyworth hwarvosow a-dhiwedhes. Res yw dhyn bos hardh ha skoodhya an kemenethow neb re beu mar bosek dres an termynow kales ma. Agan omrians dhe Leelieth hag yw linennys y'n strateji ma a wra agan gallosegi dhe dhelivra war-barth agan ughelhwansow.

Klres Edwina Hannaford
Synsyades Plegel Janj Hin
ha Kentrevethow



EXECUTIVE SUMMARY

WHEN THIS STRATEGY WAS FIRST DRAFTED WE COULD NOT HAVE FORESEEN HOW THE WORLD AND OUR LIVES WOULD CHANGE SO DRAMATICALLY OR FOR SUCH A PROLONGED PERIOD.

The response to Covid-19 has seen us change our way of working overnight, with Cornwall Council working seamlessly alongside local councils and voluntary organisations to ensure that the most vulnerable in our communities are looked after.

We have seen that the most effective way to support our communities and our most vulnerable residents is to dismantle, where it exists, traditional thinking, giving permission to do things, to instead support those that are best placed to provide a solution and enabling them to do so.

It is this experience that has informed the Localism Strategy. We will ensure that through the embedding of this strategy and way of working throughout Cornwall Council that we become:

-  **More dynamic**
-  **Say yes more**
-  **Listen more**
-  **Make decisions based on local need**

And that our residents:

-  **Have trust in the Council**
-  **See more assets under local ownership**
-  **Are involved with local democracy**
-  **Are able to contribute to their communities through volunteering**

Integral to the vision for Cornwall's future are safe, healthy and resilient communities. This vision can be found in **Gyllyn Warbarth, Together We Can: The Cornwall Plan 2020-50**. We want a Cornwall where compassionate communities are using their talents and resources to help each other to live, learn and age well, and where more people say they feel like they belong to their neighbourhood and have at least one close friend.

Looking to the future, when asked what our residents would like to see changed once the pandemic is over, the top four choices were a cleaner environment, closer communities, reduced traffic and more use of walking and cycling and a greater appreciation of nature.



This strategy sets out how we respond to requests from residents.



INTRODUCTION

OUR STRONG, DISTINCTIVE LOCAL COMMUNITIES ARE THE BACKBONE OF CORNWALL. OVER HALF A MILLION RESIDENTS LIVE IN SMALL SETTLEMENTS STRETCHED RIGHT ACROSS OUR PENINSULA. EACH OF THESE COMMUNITIES HAS THEIR OWN UNIQUE IDENTITY AND SENSE OF PLACE. THEIR INDEPENDENT COMMUNITY SPIRIT IS PART OF WHAT MAKES CORNWALL SUCH A GREAT PLACE TO LIVE.

Localism is a belief in the power of community, and it is deep in the DNA of Cornwall. When asked previously, partners across Cornwall identified “self-sufficient and resilient communities” as one of the five key priorities underpinning our shared vision for Cornwall. Future Cornwall 2010-30 set an ambition to increase participation in local decision making and enable people to get more involved in shaping and delivering local services. Cornwall's approach to Localism is now nationally recognised as pioneering in the transfer of power, decision-making and resources to local communities.

A localist approach is perhaps more important now than ever before. Community action is essential to tackle the climate emergency, and to increase community resilience to the impacts of climate breakdown such as more extreme weather events and flooding. With a super-ageing population, communities in Cornwall face some of the greatest challenges and opportunities for helping people to stay well and live independently for longer. While Cornwall's economy has improved, 17 of our communities still rank amongst the most deprived in the whole country. Having now left the European Union, with promises of “taking back control”, it will be essential that communities in Cornwall experience an increased sense of power and influence over decisions if we are to renew trust and participation in community life and local democracy.

In Cornwall, we have learnt a lot from a decade of working together in communities. This strategy sets out our shared ambition and approach for the next phase of our journey to unlock the power of community. Together, we can give everyone in Cornwall a sense of connection, purpose and power to improve their lives and the lives of others.

As a lead partner and as a commitment to this strategy, Cornwall Council has adopted a “no surprises” principle that is at the heart of ensuring that all elected members can carry out their local leadership role effectively on behalf of the Council and Cornwall's communities. This no surprises principle will extend to Cornwall's town and parish councils and wider partners to promote and support local democracy.

Our approach to Localism in Cornwall has been informed by a range of national research and our experience to date, which can be simply be described as:



OUR VISION FOR LOCALISM IS HEALTHY, SAFE AND RESILIENT COMMUNITIES

OUR APPROACH TO LOCALISM IS TO USE FOUR PRINCIPLES TO UNLOCK THE POWER OF COMMUNITY



COMMUNITY ASSETS AND SERVICES:

Sharing more control over assets and services by devolving these to parishes and local communities



COMMUNITY DECISIONS:

Involving communities more in decisions that affect them by being far more participatory in our approach



COMMUNITY ACTION:

Working collaboratively with communities and supporting them to improve residents' lives



COMMUNITY SUPPORT:

Supporting our communities to be self-sufficient and resilient by harnessing the talents and resources they already have

Our foundations for Localism:
Strong relationships with our Towns, Parishes and communities, based on trust, mutual respect with all working towards the best outcomes for our communities.

Our approach has been informed by the four domains of Localism¹ (nationally recognised by the Commission on the Future of Localism) as ways to unlock the power of community, building on the strong foundations we have laid over a decade of developing relationships based on trust, mutual respect, and of strengthening community institutions. This strategy sets out the actions we will take to strengthen our approach further.

For us, Localism is not a document on a shelf. We will continue to test and learn, developing our approach, working with and listening to our inspiring communities across Cornwall to maximise the strength and skills they have to improve residents' lives.

¹ The Four Domains of Localism are referenced in the Findings from the Commission on the Future of Localism 2018

THE FOUR PRINCIPLES TO UNLOCK THE POWER OF COMMUNITY



COMMUNITY ASSETS AND SERVICES

WE BELIEVE POWER SHOULD SIT AS CLOSE TO THE COMMUNITY AS POSSIBLE. CORNWALL COUNCIL IS STANDING UP FOR CORNWALL TO SECURE MORE POWERS AND CONTROL FROM GOVERNMENT – AND WE ARE GIVING MORE POWERS AND CONTROL OVER COUNCIL ASSETS AND SERVICES TO THE LOCAL COMMUNITIES THAT USE THEM. WE CALL THIS ‘DOUBLE DEVOLUTION’.

Over the last 10 years, Cornwall Council has put, working with partners, over 285 assets and services into the control of local communities making significant investment in them along the way so that communities can take them on in good condition. Our experience has proven that locally run services are often better run and better maintained to meet local need.

For example, having formed strong partnerships with our local communities we have been able to secure the future of Cornwall’s library service and in doing so, we have found that more people are using Cornwall’s libraries, borrowing more books and our libraries are becoming community hubs for a much wider range of services. In towns all over Cornwall our partnerships with local councils has led to the delivery of improved local services that benefits residents.

WE WILL:

- **Continue to give more powers and control over local assets and services to the communities that use them.** Cornwall Council owns over 6,500 assets ranging from large operational buildings to small community buildings and spaces. We want all of these assets to be put to good use for the people of Cornwall and we will actively work with and support all local councils and communities who have the ambition to take these on.
- **Work in partnership with communities to find solutions to problems that require not one but many different people coming together to solve.** We will use the collective expertise of our communities to respond quickly and effectively to hard to solve issues. We will continue to review our response to those most urgent and difficult problems, so that we are ready to put them in action when needed.



St Austell takes control

In a ground-breaking devolution deal, Cornwall Council has transferred a number of important local community sites to St Austell Town Council to secure their future for local residents and visitors.

The 'total place' devolution package includes 39 different areas of public open space, such as Poltair Park and Truro Road Park, as well as responsibility for grass cutting and planting on highway verges, roundabouts and closed churchyards. These transfers follow the devolution of allotments and public conveniences to the Town Council, and more recently the devolution of St Austell Library, Priory

Case study



Car park and The House Youth Centre - all part of Cornwall Council's devolution programme offering local councils and communities the opportunity to take on services, often enabling a better level of local service provision.



COMMUNITY DECISIONS

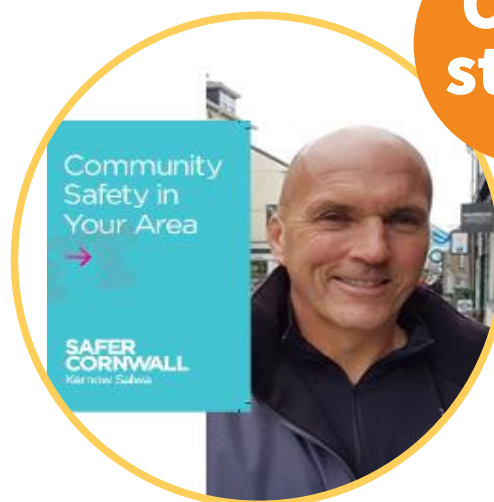
TRYING TO IMPROVE PEOPLES' LIVES THROUGH CENTRALLY IMPOSED DECISIONS AND PLANS SIMPLY DOESN'T WORK. IT LEAVES NO ROOM FOR INNOVATION OR ADAPTATION TO REFLECT LOCAL CIRCUMSTANCES.

It can also leave people feeling 'done to' - powerless to influence decisions that affect their lives and lacking trust in those elected to represent them. Getting the best outcomes for our communities means working with and for people, with community involvement in the co-design, co-production and delivery of services.

Penzance community safety

In 2019, Penzance Town Council agreed to jointly fund an Anti Social Behaviour (ASB) Caseworker to cover the West Penwith Community Network Area. At the time, the rate of recorded anti-social behaviour was significantly higher in Penzance when compared with other large towns in Cornwall. Since taking up the role, the ASB Caseworker has been able to dedicate their time to Penzance to carry out visibility patrols, engage with businesses and members of the public, and target the most persistent offenders by actively using the ASB tools and powers available to tackle nuisance behaviour.

Case study



As a result of the initiative all recorded crime in the town has been reduced, with the greatest reductions seen in shoplifting, public order offences and ASB linked to street drinking.



WE WILL:

- **Give communities more say over spending decisions:** Following our 2017 resident survey, people told us that local roads are a priority for them, and that they don't always feel able to influence local decisions. In response, Cornwall Council has given communities across Cornwall a combined budget of £1 million every year - £50,000 for each Community Network Area - to spend on their choice of small local road schemes such as speed monitors, parking controls, and improvements for pedestrians.
- The devolved highways budget has been a great success, enabling local councils and residents to have a say in which local highways schemes should be prioritised and how they should be solved. **We will continue to identify other devolved budgets which can provide communities with the ability to deliver locally agreed solutions.**
- **Provide more opportunities to encourage / support / facilitate environment focussed volunteering** that takes real account of the desires of communities to manage their local environment and help tackle climate change and biodiversity.
- **Empower communities to identify a Vision for their town, village or place,** through development of Neighbourhood Plans or use of the emerging Place Shaping Toolkit, designed to identify local priorities and how they will be delivered.
- **Enable communities to have a genuine say in the development of design guidance and codes,** linked to the proposed planning reform, to ensure that codes have real positive impact by making them more binding on planning decisions.
- **Encourage communities to engage with and deliver the Forest for Cornwall,** promote biodiversity and enhance the natural environment.
- **Enable communities to have more influence over local planning decisions.** So far, Cornwall Council has supported over 135 communities to gain powers over the developments that are permissible in their local area by putting in place Neighbourhood Development Plans, with 35 now formally adopted.
- **Provide communities with more local enforcement powers.** Cornwall Council has worked with 33 local councils across Cornwall so that they can take on more enforcement powers to tackle problems in their communities, such as inconsiderate and illegal parking and dog fouling.



COMMUNITY ACTION

LOCALISM IS ABOUT SO MUCH MORE THAN LOCAL GOVERNANCE STRUCTURES OR DECENTRALISING DECISION-MAKING.

It is about the connections and feelings of belonging that unite people within their communities. It is essential that Cornwall Council, local councils and communities foster trusting relationships, with local leaders drawing on the local expertise that already exists in the community. That trust is important to how people perceive their own power and ability to make change in their local area alongside their neighbours and to take action to maintain important local facilities.

The recent national Commission on the Future of Localism found that “When we think about power we tend to look upwards – towards Westminster-based institutions and elected politicians. Those who wish to see greater Localism often ask politicians to give it away and push power downwards. But this is looking at things the wrong way round. Instead, we need to start with the power of community.”²

Cornwall is fortunate to enjoy one of the highest rates of volunteering and community participation in the country. Most recently demonstrated by the outpouring of community spirit and volunteering support in response to the COVID pandemic, which we will continue to nurture. Together, we can achieve more for Cornwall. There are many great examples of communities taking action to achieve positive change:

Including:

- **Cornwall Council, local councils and communities across Cornwall coming together** to provide support through the Coronavirus crisis, focusing efforts on supporting grassroots action and supplementing, where needed, help to the most vulnerable residents.
- **Working with Volunteer Cornwall to support communities** match 290 community groups and 3,800 volunteers with people in need.
- **Over 120 local communities and groups of residents across Cornwall taking action to tackle climate change** and make Cornwall carbon neutral.
- **Supporting community action means embedding a whole organisational culture of working “with and for” communities**, creating time and support for really good co-production and community engagement in all that we do.

WE WILL:

- **Continue to build relationships, where people and place are always put at the centre of our decision making.**
- **Use robust intelligence and evidence to support the services that we provide.**
- **Engage with our communities to ensure people are effectively kept informed as to why decisions have been made.**

² People Power: findings from the Commission on the Future Localism, published by Locality in 2019

Jubilee Pool, Penzance

Case study



Jubilee Pool, an iconic feature of the Penzance seafront for 80 years, is now run and managed by **The Friends of Jubilee Pool Community Benefit Society**.

The Friends of Jubilee Pool are managing the pool via Jubilee Pool Penzance Ltd, a new Community Benefit Society, that will operate the pool on the community's behalf and ensure it is an affordable amenity for one and all. The Community Benefit Society Board consists of the Cornwall Councillor Divisional Member, a Town Councillor and representatives from the Friends of the Jubilee Pool and community leaders.





COMMUNITY SUPPORT

LOCALISM IS ABOUT SUPPORTING THE DEVELOPMENT OF AND THE SUSTAINABILITY OF GROUPS AND ORGANISATIONS THAT ARE FOCUSED ON SUPPORTING THEIR COMMUNITIES.

Regularly checking the satisfaction of residents about the services we provide, so that we can continuously make them better.

The latest residents survey (autumn 2019) showed that “Satisfaction with the way Cornwall Council runs things continues to increase”, an improvement of 8% over two years.

Other key drivers of overall resident satisfaction improved significantly, with 20+ percentage point increases since 2017 in residents agreeing that Cornwall Council is making the area cleaner; greener; and a better place to live

We will work with organisations such as the Cornwall Association of Local Councils (CALC) and the Voluntary Sector Forum (VSF) who have a Cornwall wide membership so that we bring people together both at a local and Duchy wide level.

Throughout Cornwall's response to Covid 19, local councils, voluntary organisations and communities have provided support to where it is most needed. We will continue to bring together and support participatory representation (community) and democratic representation (elected members) so that both feel valued and their combined power has the maximum positive effect on our communities when working together.

We will continue to support this balance of representation to maximise the support it provides to our communities both locally and strategically.

We will ensure that we support an equity of community participation and influence in all of our decision making and provide support to groups and organisations that want to help their communities.

Allowing all that want to be involved to get involved will enhance the role of local government. Ensuring that residents have an equal ability to influence decision making will provide services that are valued, supported and delivered locally.

Equity of participation will increase the capacity of volunteers to deliver community projects, continue the devolution of services and assets to the most appropriate local level and together provide the seamless delivery of services to our residents.

To support this strategy Cornwall Council has built on the work undertaken over the past four years to strengthen its commitment to Localism by empowering Community Network Panels, giving greater opportunities for communities and local councils to shape local services, devolve assets and service delivery to local councils, community groups and voluntary organisations and making the commitment that Cornwall Council places Localism at the heart of its decision-making process.

Falmouth Town Council delivering local services

Case study



Falmouth Town Council, in partnership with Cornwall Council, has taken a very proactive approach to devolution and delivering local services to its residents. Falmouth Town Council has delivered nationally recognised cultural services, including the very popular public Art Gallery and an extensive programme of events over many years and was at the forefront of ensuring that residents continued to have services delivered to them that were of great value locally.

When the opportunity arose through Cornwall Council's devolution programme the Town Council was keen to take on and enhance both the town library and local information service. In both cases the use of the facilities and opening times have been increased for residents.

Alongside these important local services, the Town Council has had many other local assets devolved to it and now manages many open spaces, gardens and recreation areas and are looking to deliver more devolved services in the future.

This approach fits well with Cornwall Council's wider programme of devolution of assets and services, which places local partnerships at the centre of how we meet the needs of our communities.



WE WILL:

- **Aim to say yes to our communities more of the time, and where we genuinely cannot do this, work together to find alternative solutions.** Ensuring communities are fully engaged and there is an equality of voice, striving for an even balance between rural and urban provision of services, listening to and being an organisation that responds to its communities' local needs. Letting go where it is better to deliver services locally, be more trusting and accept that we don't always know best.
- **Aim to provide the information and framework communities need** to capture the vision and priorities for their area and identify how the Council and other partners can support communities in delivering their ambitions.
- **Adopt a “Local Government Plus” approach bringing together the democratic and participatory representation models** that supports and recognises the power of community as an equal partner to the community representatives, who are elected onto our local councils and Cornwall Council. As part of this approach we will invite voluntary and community partners onto the Community Network Panels which bring together elected local councillors who are working together to improve their community.
- **We will actively encourage more participation at a community network level** by publicising the work that takes place, sharing the results of local decision making and offering co-option to community groups who have the knowledge experience and expertise to influence and deliver local place-based solutions.
- **We will also encourage young people to become involved with local councils, Cornwall Council and their communities** so that they are able to influence decisions which will affect them now and in the future.

OUR FOUNDATIONS FOR LOCALISM

Our Localism approach is built on strong foundations, following work over the last decade to develop strong community relationships and community institutions.

CORNWALL IS UNIQUE IN BEING FULLY PARISHED AND HAS A VIBRANT VOLUNTARY COMMUNITY.

The Community Governance Review is designed to ensure parishes are working as efficiently and effectively as they should be and that they are reflective of the identity and interest of local communities. Where required, Cornwall Council will ensure that the Community Governance Review process will continue. This is to ensure that the governance structure of Cornwall works for its communities and reflects the future changes to Parish, Council and parliamentary boundaries.

Our 19 community networks provide a structured framework for building strong relationships and supporting local decision-making and are highlighted as best practice in facilitating a culture of collaboration and partnership in the national Civil Society Strategy³. Cornwall Council's team of Localism officers are recognised in the findings of the recent national Commission on the Future of Localism for the key role they play in working 'horizontally' across different services, breaking down barriers between council services, creating connections and bringing together local partners to support place-based working.

In addition to delivering the objectives set out in our four principles, Cornwall Council recognises the need to support a significantly changing governance landscape. This was created by the Local Government Boundary Commission review carried out in 2018, to reduce the number of Cornwall Councillors and the Community Governance review, which aims to ensure that parish boundaries reflect their communities and local democracy. It also includes supporting the ambitious Climate Change agenda, an approach to devolution which enables any parish or community to participate, delivering local democracy and supporting voluntary organisations.


This includes:

- **Recovering our communities from the Covid-19 pandemic**
- **Supporting the 2021 reduction in number of elected Cornwall Council members** (from 123 to 87 members)
- **Adopting the no surprises principle so that members are informed advocates** for the Council and recognised as local leaders
- **Adopting a no surprises principle that fosters a trusted working relationship between Cornwall Council, local councils and voluntary and community organisations** that supports local democracy
- **Supporting the outcome of the Community Governance review** to ensure that it meets the requirements of our residents
- **Supporting the delivery of Cornwall's Climate Action Plan** <https://www.cornwall.gov.uk/environment-and-planning/climate-emergency/our-action-plan/>
- **Supporting local councils to fulfil their democratic responsibilities** to their communities

WE WILL:

- **We will ensure that Cornwall Councillors are fully supported in their role as local leaders, both at a Strategic level, when making decisions that affect all of Cornwall and at a local level where decisions are required to improve the lives of people in local communities.**
- **We will support the working relationship between members and parish councils and members and the community, so as to achieve the best results for residents.**


THE FOUR PRINCIPLES; WHAT WE WILL DO, WHY WE WILL DO THEM AND HOW WE WILL KNOW THEY ARE SUCCESSFUL

PRINCIPLES	WE WILL	OBJECTIVE	MEASURABLES
COMMUNITY ASSETS AND SERVICES 	<p>Continue to give more powers and control over local assets and services to the communities that use them</p> <p>Enable communities to provide services where they are better delivered locally</p>	<p>The Council's devolution programme will enable communities to take ownership over the assets and services that are important to them</p> <p>Be a Council that listens and responds to its communities</p>	<p>The number of assets and services under the influence or control of local communities</p> <p>Resident survey shows improvement in communities' satisfaction with the provision of local services</p>

PRINCIPLES	WE WILL	OBJECTIVE	MEASURABLES
COMMUNITY DECISIONS 	<p>Enable and empower local people, local councils and the voluntary and community organisations to play an active role in making decisions and delivering what their community needs</p>	<p>The Council will continue to enhance the role of Community Network Panels that increases local influence and involvement in decision making</p> <p>To provide local councils, voluntary organisations and the community with a greater opportunity to influence local decisions</p> <p>To achieve more co-designed and co-produced local projects delivered locally by volunteers</p>	<p>More people agree that they can influence decisions effecting their local area</p> <p>Improved working relationship between councils, voluntary organisations and the community</p> <p>More co-designed and co-produced local projects</p>



PRINCIPLES	WE WILL	OBJECTIVE	MEASURABLES
COMMUNITY ACTION 	<p>Work with and support local councils and communities to use their power and actions to improve their communities</p>	<p>Continue to build our relationship with local councils and communities to put people and place at the centre of decision making</p> <p>Enhance community action to support and deliver Cornwall's Carbon Neutral 2030 objective, including contributing to digital solutions</p> <p>Robust intelligence and evidence will inform service provision. We will engage with our communities, to ensure people are effectively kept informed</p> <p>Ensure that everyone has the opportunity to get involved with and influence the things that matter to them</p>	<p>The number of communities feeling able to make decisions that affect them locally</p> <p>The number of communities actively taking a role in reducing carbon emissions</p> <p>An updated action plan, post-COVID, that ensures that communities are able to respond to their requirements for recovery</p> <p>No communities feel excluded from being able to participate or influence council decisions</p>

PRINCIPLES	WE WILL	OBJECTIVE	MEASURABLES
COMMUNITY SUPPORT 	<p>Build community capacity to support the delivery of local solutions through partnerships with local councils, voluntary and community organisations</p> <p>Support local councils to put Community Emergency and Resilience Plans in place</p> <p>Ensure residents can live alongside large and small events without adverse impact and audiences can attend them in safety</p>	<p>To enable communities to provide more local solutions, be more active in our communities and in local government</p> <p>Enable our voluntary and community partners to be more sustainable</p> <p>Produce a suite of locally tested plans and capabilities to respond to and recover from emergencies (environmental, weather, public health) co-designed with local councils and communities</p> <p>Support very local and large event organisers ensure public safety at popular cultural events and gatherings</p>	<p>Increased number of people taking an active role in local government</p> <p>Voluntary and community organisations having the ability to adapt to a changing society</p> <p>Number of community plans in place</p> <p>Number of event organisers supported through engagement with the appropriate services</p>

**We will continue to build on
the work we have undertaken
over the past four years to
strengthen our commitment
to Localism.**



**This strategy marks
the continuation of our
commitment to ensure that
we achieve the best outcomes
for our communities.**

**To achieve these outcomes
Localism will remain at the
heart of all we do together.**

**An strateji ma a verk an
pesyans a'gan arwostel dhe
surhe may hyllyn ni kowlwul
sewyansow gwella rag agan
kemenethow.**

**Dhe gowlwul an sewyansow
ma Leelieth a wra pesya
yn kolon a buptra a wren
warbarth.**



If you would like this information in another format or language please contact us:

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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




CO₂

**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

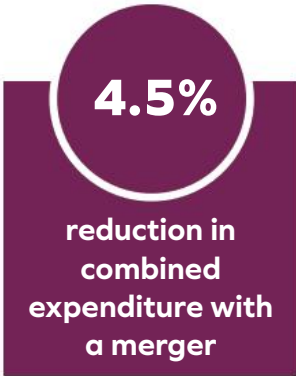
Both Stratford-on-Avon District Council and Warwick District Council face significant financial pressure. We have already delivered significant savings through our joint work, and a merger will allow us to take this further, achieve the savings that are required and deliver against strategic priorities.



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 CO₂ 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]

A credible geography



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

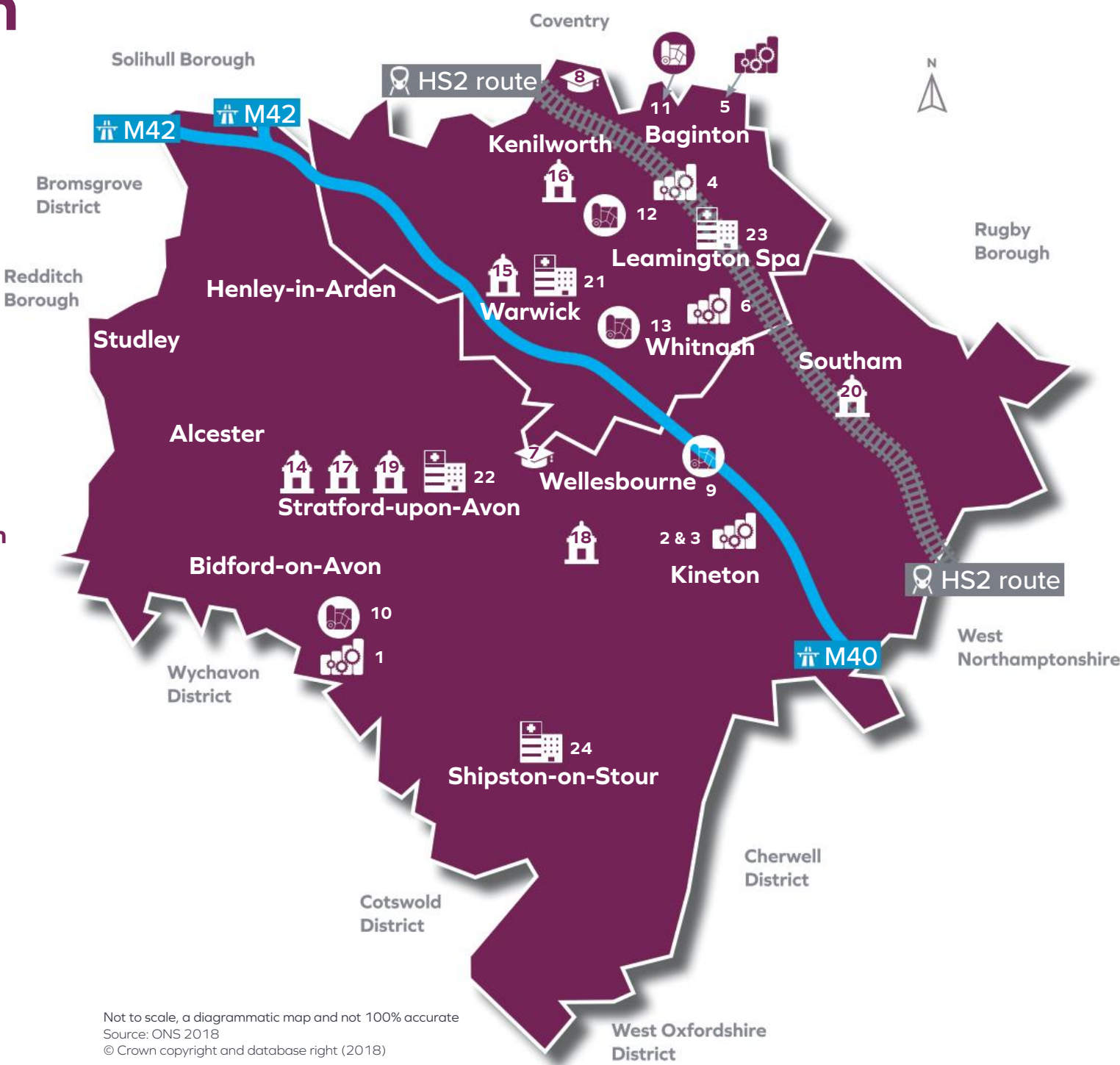


South Warwickshire Place Future Governance
November 2021



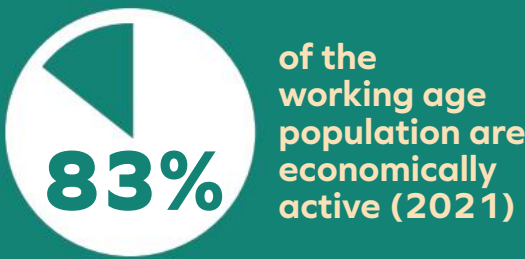
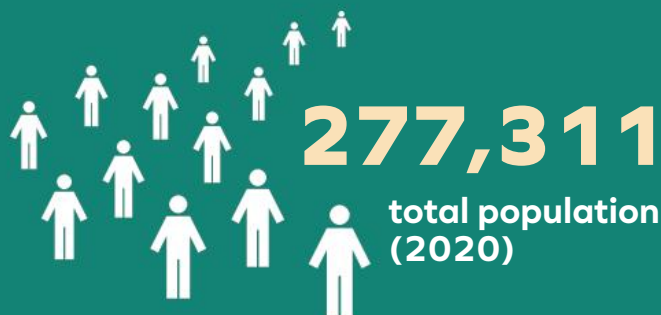
South Warwickshire is recognised in the emerging Integrated Care System

Healthcare provision



Not to scale, a diagrammatic map and not 100% accurate
Source: ONS 2018
© Crown copyright and database right (2018)

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]



Future form of local government for Stratford-on-Avon and Warwick District Councils - Options Appraisal

Scoring:

With associated colour codes:

Strong positive impact = 2

Fairly positive impact = 1

Fairly negative impact = -1

Strong negative impact = -2

	Impact on local public services	Significant cost savings	Greater value for money	Stronger and more accountable local leadership	Sustainability in the medium to long term
1. Do nothing – make no changes to existing Council positions	Puts services at risk as it ignores the financial challenges both Councils currently face	Doesn't offer any cost savings	Offers no further opportunity to improve services or deliver savings	Will leave leadership as is but increasingly policy and service choices will be reduced with limited financial resources available	Not sustainable in the medium to longer term and would create clear potential for Council failure
2. Revert to working as two separate councils	Would increase costs and thereby worsen financial position and threaten service delivery	Doesn't offer any cost savings and indeed is likely to increase costs	Offers no further opportunity to improve services or deliver savings	Will leave leadership as is but increasingly policy and service choices will be reduced owing to limited financial resources	Not sustainable in the medium to longer term and would create clear potential for Council failure
3. Expand partnership working to work with other partner Councils	Could enhance service delivery but adds extra risk of complexity; also need willing partners.	Could deliver cost savings depending on the partners.	Could deliver significant efficiencies. Complex partnership arrangements might however undermine benefits	Would tend to make leadership more opaque and so reduce opportunity to strengthen clear local leadership; hindered also by lack of other willing partners	Significant risk of divergent agendas between a wider number of partner Councils

	Impact on local public services	Significant cost savings	Greater value for money	Stronger and more accountable local leadership	Sustainability in the medium to long term
4. Continue to expand sharing services between Stratford DC and Warwick DC, but do not merge politically.	Could enhance service delivery and help to ensure resilience	Would deliver significant cost savings	Would deliver significant savings and help to cut out duplication; deliver efficiencies; and improve resilience	More joint decisions between 2 separate Councils could reduce democratic accountability. Also carries risk of divergent and clashing leadership priorities.	Improves sustainability but this could be undermined by the risk of divergent agendas of the Councils
5. Create a new single district council for South Warwickshire	Would deliver benefits of economies of scale, improved service resilience and a stronger financial position. Better able to work more closely with wider public sector for South Warwickshire. Able to work at place level given the cohesiveness of South Warwickshire as an area.	Would deliver enhanced significant cost savings. Transitional costs paid back over a short period of time. Need to harmonise council tax levels - £27 difference on band D	Would optimise efficiencies and savings with delivery of them in short to medium term.	Clear opportunity for strong leadership, strong partnerships and greater focus on locality working alongside communities. Would enable closer working with other agencies over South Warwickshire – e.g., community safety; health and well-being; economy; tourism.	Opportunity to create a very resilient form of local government in the future due to optimal scale and ability to attract and manage growth and investment.

	Impact on local public services	Significant cost savings	Greater value for money	Stronger and more accountable local leadership	Sustainability in the medium to long term
6. Create a Unitary Council for South Warwickshire	Would deliver benefits of economies of scale, improved service resilience and a stronger financial position. Better able to work more closely with wider public sector for South Warwickshire. Able to work at place level given the cohesiveness of South Warwickshire as an area.	Would deliver enhanced significant cost savings. Transitional costs paid back over a short period of time. Need to harmonise council tax levels - £27 difference on band D between Stratford and Warwick. Savings would take longer to be delivered which is a risk to services.	Would optimise efficiencies and savings in medium to longer term but not in short/medium term.	Clear opportunity for strong leadership, strong partnerships and greater focus on locality working alongside communities. As above would enable closer working relationships across South Warwickshire – e.g., climate change; community safety; health and well-being; economy; tourism.	Opportunity to create a very resilient form of local government in the future due to optimal scale and ability to attract and manage growth and investment. This option though is not deliverable at this stage and would require an invitation from government.
7. Create a Unitary Council for South Warwickshire and join the WMCA	Would deliver benefits of economies of scale, improved service resilience and a stronger financial position. Better able to work more closely with wider public sector for South Warwickshire. Able to work at place level given the cohesiveness of South Warwickshire as an area. Also, would be of a scale to work at a regional level on transport and economy matters.	Would deliver enhanced significant cost savings. Transitional costs paid back over a short period of time. Need to harmonise council tax levels - £27 difference on band D between Stratford and Warwick. Savings would take longer to be delivered which is a risk to services.	Would optimise efficiencies and savings in medium to longer term but not in short/medium term.	Clear opportunity for strong leadership, strong partnerships and greater focus on locality working alongside communities. As above would enable closer working relationships across South Warwickshire – e.g., climate change; community safety; health and well-being; economy; tourism. Would work at a regional level with Mayoral Authority.	Opportunity to create a very resilient form of local government in the future due to optimal scale and ability to attract and manage growth and investment. This option though is not deliverable at this stage and would require an invitation from government.

	Impact on local public services	Significant cost savings	Greater value for money	Stronger and more accountable local leadership	Sustainability in the medium to long term
8. Create a Unitary Council for the whole of Warwickshire	Would deliver benefits of economies of scale, improved service resilience and a stronger financial position. Better able to work more closely with wider public sector for Warwickshire – e.g., climate change; community safety; health and well-being; economy; tourism. Much less able to work at place level across the divergent localities that exists in Warwickshire.	Would deliver enhanced significant cost savings. Transitional costs higher and paid back over a longer period of time. Need to harmonise council tax levels across County - a £100 difference on Band D for SDC and £75 for WDC compared to the highest level elsewhere in the County. Savings would take longer to be delivered which is a risk to services.	Would provide very significant savings and efficiencies in medium to longer term but not in short/medium term.	Clear opportunity for a single leadership for the county. As above would enable closer working relationships across South Warwickshire – e.g., climate change; community safety; health and well-being; economy; tourism. Scale and diversity of county area would require other structures to be put in place to allow for locality working adding to complexity and opaqueness to local democracy.	Opportunity to create a very resilient form of local government in the future due to optimal scale and ability to attract and manage growth and investment. This option though is not deliverable at this stage and would require an invitation from government.
9. Create a Unitary Council for the whole of Warwickshire and join the WMCA	Would deliver benefits of economies of scale, improved service resilience and a stronger financial position. Better able to work more closely with wider public sector for Warwickshire – e.g., climate change; community safety; health and well-being; economy; tourism. Also, would be of a scale to work at a	Would deliver enhanced significant cost savings. Transitional costs higher and paid back over a longer period of time. Need to harmonise council tax levels across County - a £100 difference on Band D for SDC and £75 for WDC compared to the highest level elsewhere in the County. Savings would take longer to be delivered which is a risk to services.	Would provide very significant savings and efficiencies in medium to longer term but not in short/medium term.	Clear opportunity for a single leadership for the county. As above would enable closer working relationships across South Warwickshire – e.g., climate change; community safety; health and well-being; economy; tourism. Scale and diversity of county area would however, require other structures to be put in place to allow for locality	Opportunity to create a very resilient form of local government in the future due to optimal scale and ability to attract and manage growth and investment. This option though is not deliverable at this stage and would require an invitation from government

	regional level on transport and economy matters. However, much less able to work at place level across the divergent localities that exists in Warwickshire.			working adding to complexity and opaqueness to local democracy. Would work at a regional level with Mayoral Authority.	
10. Set up Private Sector Company to deliver all local services on behalf of SDC and WDC	Has the potential to deliver lower cost services but has not been proven.	Potential to lower costs but as yet unproven on a large scale.	Unclear as to whether it would deliver better value for money services but has potential.	Creates a gap between local democratic leaderships and service delivery.	The sustainability of this model is unproven at scale and so represents a significant risk.

Overall Score

Option	Overall Score
1. Do nothing – make no changes to existing Council positions	-8
2. Revert to working as two separate councils	-9
3. Expand partnership working to work with other partner Councils	1
4. Continue to expand sharing services between Stratford DC and Warwick DC, but do not merge politically.	5
5. Create a new single district council for South Warwickshire	10
6. Create a Unitary Council for South Warwickshire	9
7. Create a Unitary Council for South Warwickshire and join the WMCA	9
8. Create a Unitary Council for the whole of Warwickshire	6
9. Create a Unitary Council for the whole of Warwickshire and join the WMCA	6
10. Set up Private Sector Company to deliver all local services on behalf of SDC and WDC	3

Conclusion on each option:

1. Do nothing – make no changes to existing Council positions
Given the scale of the challenges faced by both Councils on the financial front and the strong desire to deliver services, this option nothing to help meet those challenges and so has been discounted as an option going forward.
2. Revert to working as two separate councils
As per option 1, undoing the existing level of shared working would serve to increase costs and would offer no other opportunity to maintain or improve services and so has been discounted.
3. Expand partnership working to work with other partner Councils
Whilst this option has some merits it also offers increased levels of complexity and risk, any wider partnership would not have the same link to the economy of South Warwickshire. The absence of other willing partners at this stage also means it is an undeliverable option.
4. Continue to expand sharing services between Stratford DC and Warwick DC, but do not merge politically.
This option has a wide range of benefits and is in progress but the lack of a political union involved would create risks of very differing agendas and over a longer term be difficult to manage and maintain the benefits. There also remains the risk that the partnership could be reversed which would undo the financial savings that would be delivered.
5. Create a new single district council for South Warwickshire
This option would deliver the maximum level of savings and ability to maintain service delivery in the shortest possible time. It best meets the 5 tests of all options and is deliverable by SDC and WDC, unlike option 4, this approach would be almost impossible to reverse.
6. Create a Unitary Council for South Warwickshire
This option is very close to the option above although the benefits could be greater, however, this option is not within the gift of SDC and WDC alone to deliver so has been discounted at this stage. However, if the Government so decided then this is an option that could be progressed to from option 5.
7. Create a Unitary Council for South Warwickshire and join the WMCA
This option is very close to the option above although the benefits could be greater, however, this option is not within the gift of SDC and WDC alone to deliver so has been discounted at this stage. However, if the Government so decided then this is an option that could be progressed to from option 5. This option also considers the potential benefits of seeking membership of the West Midlands Combined Authority.
8. Create a Unitary Council for the whole of Warwickshire
This option offers a wide range of benefit but its scale (serving a population of almost 600,000 and the significant differential in needs and in council tax levels across the county make for a dilution of relationships at a local community and an inability to work well at local place level. Again, at this stage this option is not available in any case as it requires a specific invitation from central government.
9. Create a Unitary Council for the whole of Warwickshire and join the WMCA
This option offers a wide range of benefit but its scale (serving a population of almost 600,000 and the significant differential in needs and in council tax levels across the county make for a dilution of relationships at a local community and an inability to work well at local place level. Again, at this stage this option is not available in any case as it requires a specific invitation from central government. This option also considers the potential benefits of seeking membership of the West Midlands Combined Authority.
10. Set up Private Sector Company to deliver all local services on behalf of SDC and WDC
This option could offer benefits but on this scale is unproven and so represents significant risk. It would also dilute the local democratic leadership link to service provision so for these reasons it has been discounted as a way forward.

Financial Information

1 Updated Financial Analysis – Deloitte Financial Appraisal

- 1.1 There are savings that a full merger would deliver which will be used to meet both Council's funding shortfall and hopefully prevent the need to reduce service provision.
- 1.2 To help support the consideration of the option to merge Stratford-on-Avon and Warwick, Deloitte were commissioned earlier this year to identify what benefits could reasonably be achieved through such an approach. The main findings were as follows:
 - Annual efficiencies in excess of £4.5m per year (to support the shortfall) could be expected by bringing the two Councils together. These savings could be achieved by:
 - Reducing areas of duplication and crossover between the two Councils, creating economies of scale
 - Jointly commissioning contracts, resulting in economies of scale
 - Rationalising property floor space based on removing duplication and the increased desire to work from home because of the COVID pandemic.
 - The report also stated "a full merger provides a greater likelihood of more savings being achieved from service optimisation. It creates a greater cultural shift by creating one organisation, removing some of the politics around identifying who benefits from savings under a shared service arrangement. The vision for the future can be simpler and more joined up, allowing greater delivery of savings".
 - It would be expected that the number of Councillors would reduce from the current 80 across Stratford-on-Avon and Warwick. The Deloitte report estimated a reduced number of elected members. Experience from the recent 3 mergers of Districts Councils indicates wide variations in the scale of reduction ranging from a change of 90 to 55 at East Suffolk to a reduction of 8 at West Suffolk. The proposed working group will consider this and make recommendations.
- 1.3 The review of Councillor numbers would be decided by the SoS, whereas the warding arrangements would be undertaken by the Local Government Boundary Commission for England (LGBCE). The shadow Council would make a "Council Size Submission", at the start of this review in which it would identify the preferred size of the future Council. The LGBCE would use this as an important piece of evidence in determining the warding arrangements and this would be subject to consultation.

2 **Updated Financial Assumptions**

- 2.1 Since the Deloitte report was produced in February, the Councils' s151 officer has undertaken an assessment of the financial gains which should be possible by fully merging the two Councils and the costs of implementing these arrangements.
- 2.2 Whilst the original business case identified that c£4.5m of savings could be delivered by merging the two Councils the savings assumptions contained within the approved Medium Term Financial Plans agreed in February 2021 amount to £3.8m. The respective position for the two Councils is as follows:

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Stratford-on-Avon DC	0	250	650	1,000	1,250
Warwick DC	390	1,170	1,950	2,230	2,510
Total	390	1,420	2,600	3,230	3,760

- 2.3 Without these assumed savings neither authority would have sufficient reserves to support the respective budgets and would not be financially sustainable.
- 2.4 The level of assumed savings was determined by a benchmarking exercise undertaken by Deloitte on previous similar reviews and are accepted as a reasonable estimate of what could be achieved. However, there has been the opportunity to further review and properly allow for the cost of implementation. These costs relate to three main areas:
- Cost to support of implementing the programme of service integration. This affects mainly the internal support services such as HR, Finance and ICT;
 - Potential cost of redundancies from implementing the proposals for merging services;
 - Cost of harmonising the terms and conditions of the two authorities.
- 2.5 The joint s151 officer has had the opportunity to review these three areas in detail and ahead of the important decision as to whether to fully integrate services and merge the two authorities it is appropriate that members are updated on the potential financial position. The estimated potential savings from the two Councils merging has been reviewed. Considering potential savings of having a single headquarters, the projected savings from a single management team and updating the potential governance savings, the estimated full savings from a merger are now estimated at £5.3m. When the Councils' Term Financial Strategies are updated as part of the 2022/23 Budget process, the estimated assumed savings that have been included will be reviewed, noting that there must be a degree of caution attached to any figures included.

- 2.6 It should be noted that many of the costs detailed below would be incurred whether the Councils continue to move to integrate services (as agreed by both Councils in October 2021), or it is agreed to seek to progress to form a new joint Council. However, there should be more scope for savings from forming a new single Council. For example, East Suffolk report that they were able to create another £900,000 per annum worth of savings from the political merger and this was after almost 10 years of having integrated services. As East Suffolk is of a comparable scale as a South Warwickshire District Council would be, it is a relevant example to consider.

3 Democratic Costs

3.1 Cost Implications of Councillor Numbers

- 3.1.1 This mainly depends on future decisions to be made by the Secretary of State on the size of the new Council and also decisions by the new Council on changes in the Councillor Allowances Scheme, taking into account recommendations from the Independent Remuneration Panel.
- 3.1.2 The ratio of Councillor to elector will affect the Basic Allowance (BA). The current combined cost of BA's is £468K, and the current ratios are:-

Council	Councillors	Electorate	Ratio per Councillor	Basic Allowance
SDC	36	105,000	2,916	£5,631
WDC	44	109,000	2,477	£6,129

- 3.1.3 Electoral growth within the two districts has slowed recently, but with the joint review of the local development plan the figures will grow further, and if the ratio figure increases so will the basic allowance. A reduction in the total number of members would produce a financial saving, although potential indexation uplifts could reduce the level of saving.
- 3.1.4 A review of Special Responsibility Allowances (SRA) could see savings, as the number of members receiving the allowance would be halved, although they are calculated in proportion to the basic allowance. The current combined cost of SRA's is £175K pa.

3.2 Cost Implications of Changes in Constitutional Arrangements

- 3.2.1 The new Council would have a new single Constitution, providing opportunities for rationalisation of the number of council decision-making bodies and their membership, potentially leading to fewer meetings, reduced expenses and opening up more time for members to undertake their community leadership roles.
- 3.2.2 Similarly, the new Constitution would only allow for a single Cabinet of up to ten members. Under the current arrangements the two Cabinets comprise a total of 16 members. In addition to the two Cabinets, there are currently a number of member advisory groups that support and report to their respective Cabinet, not forgetting the two separate overview and scrutiny arrangements. There would be an opportunity to review these arrangements as well.

- 3.2.3 Fewer councillors, meetings and a single constitution will require less officer support, so helping to enable greater savings as services align. However, a single governance approach encompasses much more than issues around the number of Councillors and relates to a single set of accounts, audit and so on all of which generates costs for each Council. To help refine the estimates costs of governance the LGA undertook some work and identified cost of £303,000 per annum that could be saved.
- 3.2.4 However, if the merger request is made and subsequently granted by the Secretary of State the number of Council meetings is likely to rise in the short term, particularly during the time when the shadow Authority is in operation. This is likely to require some additional funding, including democratic service staff resource costs.

3.3 ***Cost Implications for Elections***

- 3.3.1 The current combined cost of running district elections is in the region of £475K, subject to costs associated with covid19 precautions and any additional staffing costs. This part of the analysis is presented on the assumption that the date for the elections for WDC and its town and parish councils would be postponed from 2023 to 2024.
- 3.3.2 In that situation the 2024 elections would comprise all district, town and parish and Police and Crime Commissioner, leaving aside the possibility of parliamentary elections. As usual, 50% of the costs for the town and parish elections would be recharged back to them.
- 3.3.3 By having all these elections on the same day there could be a marginal overall cost reduction, but it is too early to estimate the figure. The following factors would also need to be taken into account:-
- the current printing contract, which is shortly to be procured across both Councils
 - election fees for staff will need to be aligned
 - election staff will need to be (re)trained and recruited
 - the hire costs for the selected counting venue
 - potential costs of venue for postal vote opening
 - any cost savings for single equipment store.

3.4 ***Cost Implications for Electoral Registration***

- 3.4.1 Electoral registration costs are dependent on the number of electors. Potential savings from a combined printing contract have to be balanced against the increase in properties across the two districts. The largest cost is postage, over which there is little or no control. The IT systems are the same for both Councils used and licence costs are likely to remain the same.

4 Accommodation Costs

- 4.1 Currently SDC incurs costs of circa £500k per annum for the running of Elizabeth House and WDC incurs costs of circa £700k per annum for Riverside House. A merger of the two Councils would help to release significant savings estimated to be in the region of £600k per annum. Hybrid working and a reduction in duplication would enable a new Council to require a vastly reduced office footprint and with it a significantly reduced running cost. This also offers the opportunity for a capital receipt to invest in new but much smaller premises and an ability to invest the receipts in other Council activity. Options on how to progress this work has been commissioned. The work will need to consider the maintenance of a face to face, customer activity in some locations as well as touch down spots for staff and Councillors.

5 Cost of Service Integration

- 5.1 If the organisation is to be fully aligned and services integrated by March 2024, the main support services of ICT, Finance and HR and Communications will need additional support. This support will primarily take the form of time limited posts and additional consultancy. These will be on top of the Programme Budget for which £600k was agreed in February 2021 between both Councils.
- 5.2 An assessment has been carried out of the additional posts required over the next 27 months, and the consultancy support. It is not possible to be totally definitive about the actual requirements over that period, or the costs. At this stage, it is estimated that a total budget of £1.5m should be provided.
- 5.3 The cost of ICT system replacements will be separate to these costs, with many of ICT costs having to be incurred whether the Councils were to continue to operate in isolation or to merge, as systems reach end of life etc.

6 Redundancies

- 6.1 Reducing costs and duplication between the two Councils will result in a reduced headcount (i.e. number of posts not necessarily number of people) of approximately 10%. For some time now both Councils have been seeking to limit permanent appointments as vacancies have occurred to reduce potential redundancy costs. Increasingly there has been:
- Cross working across both Councils to share resources pending services being formally aligned.
 - Use of time limited appointments.
 - Use of agency staff.
 - Deferring appointments if possible.
- 6.2 In recent years, as services have re-structured, many staff at risk of losing their employment have successfully been redeployed into other posts. In total, over the two Councils over the last 5 years, there have been 70 staff redeployed rather than face redundancy, with 34 being made redundant.

- 6.3 It has never been possible for both Councils to adopt a no redundancies rule but both Councils have repeatedly said that they'd do everything possible to avoid redundancies. By continuing to make use of natural turnover and redeployment, it should be possible to keep the number of redundancies to an absolute minimum. This will be to the benefit of the Councils and employees.
- 6.4 Estimating the cost of redundancies is extremely difficult as it relies on many factors, including:
- The age of the individuals
 - The length of local government service of the individuals
 - The grade of the individuals
 - For those over 55 that are members of the local government pension scheme, there will also be the cost of pension strain. This reflects the additional cost that must be paid to the pension fund to reflect the individual being able to take their accrued unreduced pension early. It is very hard to estimate this, with each individual's circumstances being unique.
- 6.5 It is not possible to assess with any certainty the overall mix of employees that may face redundancy.
- 6.6 The Deloitte report suggested potential redundancy costs of c£1m. When that report was produced, there was a recently introduced cap on public sector exit payments of £95k. Following various legal challenges, this cap has been withdrawn by the Government. Consequently, the cost of some potential redundancies may now be well in excess of this cap.
- 6.7 It should be noted, that under local government terms and conditions, it would not be only the higher graded (chief) officers to whom this cap may have applied. The redundancy and pension strain costs for many staff over the age of 55, with many years local government service may exceed £95k.
- 6.8 Whilst it is not possible to be definitive about the total potential redundancy costs, it is recommended that a sum of £1.5m (£0.5m more than recommended by Deloitte) is set allocated for these potential costs, with this figure kept under review.

7 Cost of harmonising the terms and conditions

- 7.1 The main cost relating to harmonisation of terms and conditions will be in respect of bringing all employees onto the same pay structure as part of introducing a single job evaluation scheme in place of the two that currently exist. Currently, individuals in both Councils may be doing the same or similar job but be graded differently. It is not believed to be the case that employees are generally paid more at one Council than the other, but there are some functions paid more at one Council than the other, and vice versa.

- 7.2 With the planned job evaluation, it is intended that the overall pay bill will remain unchanged, other than for any posts no longer required as part of the service integration. Job evaluation is not intended to produce an overall upward or downward shift in pay. For further details please see section 2.7 of the full report.
- 7.3 For any individual that faces a reduction in pay, it has been agreed that they will have salary protection for 30 months. After that period, they would be paid according to the new grade.
- 7.4 Again, this is very difficult to estimate. The approach to job evaluation is still to be determined. High level modelling has been carried out to determine what the one-off cost here may be. At this stage it is recommended that £1.5m should be allocated, with the cost kept under review.
- 7.5 There is the possibility to mitigate some of these costs in the short term if it is agreed that those subject to an increase in their grade have this phased in. This would need to be subject to further detailed calculations and agreement with staff/unions.

8 Summary of 1 off costs

- 8.1 The above estimated costs are summarised below:

	£
Cost of Service Integration - Support 1 off costs	1,500,000
Redundancy/Pension Strain	1,500,000
Terms and Conditions harmonisation - Salary Protection	1,500,000
Total	4,500,000

- 8.2 The savings and one-off costs need to be profiled over future years. This cannot be done with absolute accuracy, however, an analysis of how this may look is shown below:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Cumulative Savings	-570	-1,670	-3,400	-5,660	-7,920
Cumulative Costs	1,108	2,830	3,848	4,500	4,500
Cumulative Net Position	538	1,160	448	-1,160	-3,420

8.3 Here it is assumed:

- Savings in staff costs increase to a recurring level of £2.26m per annum (as included within the respective current Medium Term Financial Strategies).
- 1 off costs total £4.5m.
- Based on these assumptions, there would be payback by 2025/26.

9 Funding

9.1 The savings in staff costs modelled above have been factored into both Councils' Medium Term Financial Plans, as part of the savings discussed earlier (paragraph 8.2.2). Consequently, it is necessary for specific provision to be made for the one-off costs.

9.2 Excluding any costs relating to the WDC Housing Revenue Account, it is suggested that the above costs, as and when incurred, should be shared equally between the two Councils. These costs will start to be incurred in forthcoming months but will not be fully incurred until after April 2024 (potentially 2025/26 in the case of terms and conditions harmonisation).

9.3 It is recommended that both Councils should commit to setting aside £750k each as part of the 2022/23 and 2023/24 Budget processes. A further £1.5m would be needed from the 2024/25 Budget, whether this is from the Budget from the proposed new Council or the continuing two District Councils. This will provide for £4.5m for these anticipated one-off costs. In addition, both Councils should ensure that further reserves are held which can be utilised if required without putting the authorities' finances under pressure.

9.4 The overall costs will need to be closely monitored within future reports. In addition, both Councils should ensure that further reserves are held which can be utilised if required without putting the authorities' finances under pressure. If approved these costs will need to be allowed for within the emerging medium term financial plans.

10 Council Tax Harmonisation

10.1 The Council Tax at Band D for WDC is £176.86 and SDC, £149.12, a difference of £27.74. Under legislation, it is possible for a new authority to operate with two levels of Council Tax for the initial years, but by year 8 a single level of Council Tax must be agreed. This means that the harmonisation of level of Council Tax can be spread in up to 7 years, or it may be harmonised in a single year.

10.2 Within the medium-term financial strategies (MTFS) of both councils, future annual Council Tax increases of £5 have been assumed, this being the maximum increases permitted in recent years for district councils under the referendum principles applicable to limit increases. On this basis, the Councils are both seeking to maximise future Council Tax revenue so as to support any funding gaps within the MTFS. Any reduction from the assumed £5 will result in reduced income and resultant increased levels of savings to be secured if services are to be protected.

- 10.3 As a new authority, based on previous mergers, the £5 referendum principle referred to above will apply to the average Council Tax of the district, with it necessary for average council tax increase of £5 per annum if the Council Tax revenue is to be protected. On this basis, noting the Council Tax base for SDC and WDC are broadly equal, there are various options as to how council tax should be equalised. Options include:-
- Equalise in 1 year – SDC +£19, WDC -£9
 - Equalise in 4 years – SDC +£8.50 pa, WDC £+1.50 pa
 - Equalise in 7 years – SDC +£7 pa, WDC +£3 pa
- 10.4 At this stage it is not necessary for either Council to agree to the level of future Council Tax increases, and the period over which Council Tax is harmonised. To protect the revenue income of both Councils, Council Tax harmonisation should not commence until the new local authority has been formed. It will be for future administrations to determine the approach to harmonisation taking into account matters such as:-
- Any legal limitations on council tax increases
 - The need to maintain Council Tax revenues to balance the MTFS and so maintain services
 - Legal requirement as well as political and local pressures to harmonise Council Tax.
- 10.5 Any reduction from a future average increase in council tax of £5 for the proposed South Warwickshire District Council will present a reduction in forecast council tax income. For example, if council tax was to be held at the current rate for the former WDC area from 2024/25, whilst that for the SDC area increased by £5 per annum until the two were aligned, this would reduce the overall council tax revenue to the new Council, with the losses incrementing up annually to £1.5m.



Working *Together*

Equality Impact Assessment

Date of initial assessment	20/08/2021 – Initial EIA screening
Service	Stratford-on-Avon District Council Warwick District Council
Proposal to be assessed	Proposal to merge Stratford on Avon District Council and Warwick District Council
New or existing policy or function?	New
External (i.e. public-facing) or internal?	External
Lead officers	David Buckland, Chief Executive, Stratford-on-Avon District Council Chris Elliott, Chief Executive, Warwick District Council

<p>Please outline your proposal, including:</p> <ul style="list-style-type: none"> • Aims and objectives • Key actions • Expected outcomes • Who will be affected and how • How many people will be affected 	<p>Summary: The aim is to create a new local authority by the merging of Stratford on Avon District Council (SDC) and Warwick District Council (WDC) to create South Warwickshire Council. The main objective of this merger is to make reductions in cost which will be used to protect service provision.</p> <p>How it Fits with Wider Council Objectives: Both Councils have agreed and ambitious strategies – the Council Plan in SDC’s case and Business Plan in WDC’s case and both feature partnership working to help achieve those ambitions. Both Councils also deliver a wide range of discretionary services including Leisure and CCTV which would be under threat unless savings can be delivered, due in the main to forecast reductions in government grant (SDC) and increase in waste management costs in WDC’s.</p> <p>Outcomes: The expected outcome would be a new local authority serving the residents and businesses of South Warwickshire. Currently combined savings of around £3.8m have been included within the Medium-Term Financial Plans from both Stratford and Warwick in relation to the proposed merger.</p> <p>How many people will be affected? The total population of the Stratford-on-Avon and Warwick districts (two councils) is currently estimated at 274,000. The impacts could possibly be further reaching than this.</p>
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	<p>Who will be affected and how? At this stage very high level information is known, for example:</p> <ul style="list-style-type: none"> • All residents living in the two districts • All staff employed by the two councils • All staff employed by organisations commissioned to carry out services/functions on their behalf by one (or more) of the two councils. • All Elected Members in the two districts <p>Impacts against the relevant protected characteristics cannot be known at this stage but as each service integration proposal comes forward those impacts, if any, will be made clear and mitigated. It is important to be conscious that both Councils have significant financial pressures which cannot be ignored and if not addressed would have significant implications for service users across all protected characteristics.</p> <p>Groups with protected characteristics that this intends to benefit: As outlined above it is expected that the main benefit arising from the proposed merger would be reduced cost which would enable the Councils to protect as far as possible valuable discretionary functions. Both Councils make contributions to the Voluntary & Community Sector, these are examples of discretionary functions which would be at greater risk if the Councils were forced to make reductions in isolation.</p>				
<p>What relevant data or information is currently available about the customers who may use this service or could be affected?</p>	Population Data for Both Districts				
	<i>Protected Characteristic</i>	Stratford-on-Avon District Council Area 132,402 (2020)		Warwick District Council Area 144,909 (2020)	
	<i>Age (2020)</i>	0-15 16.7%	65+ 25.4%	0-15 17.2%	65+ 18.8%
	<i>Disability (day-to-day activities limited a lot or a little) (2011)</i>	16.9%		14.9%	
	<i>Gender reassignment</i>	Data not available		Data not available	
	<i>Marriage and Civil Partnership (2011)</i>	Married 54.9%	Civil Partnership 0.1%	Married 46.6%	Civil Partnership 0.2%

	Pregnancy and maternity	Data not available		Data not available	
	Ethnicity (2011)	Asian/Asian British 1.2% Black/African/Caribbean/Black British 0.2% Mixed/multiple ethnic groups 1.0% Other ethnic group 0.2% White 97.4%		Asian/Asian British 7.2% Black/African/Caribbean/Black British 0.7% Mixed/multiple ethnic groups 2.0% Other ethnic group 0.9% White 89.2%	
	Religion or Belief (2011)	Has a religion 71.8% Christian 70.3% Buddhist 0.3% Hindu 0.2% Jewish 0.1% Muslim 0.2% Sikh 0.2% Other religion 0.3% No religion 21.2%		Has a religion 64.3% Christian 58.3% Buddhist 0.4% Hindu 1.2% Jewish 0.2% Muslim 0.9% Sikh 3.9% Other religion 0.4% No religion 27.5%	
	Sex (2020)	Male 48.6%	Female 51.4%	Male 50.1%	Female 49.9%
	Sexual orientation	Data not available		Data not available	

Is the decision relevant to the aims of the Public Sector Equality Duty, which are listed below?

Aim	Yes/No	Explanation
Eliminate discrimination, harassment and victimisation	Yes	<p>Should the single district go ahead there could be opportunities to achieve this aim that should not be missed. This would be achieved by the identification of best practice in the current individual Council areas to be deployed across the whole area. An example of this relates to the work of the RESPECT network at Stratford-on-Avon District Council.</p> <p>The areas occupied by both Councils will include individuals who are covered by one or more of the full range of protected characteristics, as defined within the Equalities Act 2010. There is currently a South Warwickshire Crime Reduction Partnership which covers the Stratford-on-Avon District Council and Warwick District Council area. A single Council will ensure a more consistent approach across the South Warwickshire area.</p> <p>Currently no significant detrimental impacts have been identified which cannot be readily mitigated through existing policies, enhancements to existing policies and protocols. The consultation will help identify these. If the decision outcome is to proceed with the creation of a new single South Warwickshire District Council, there could be some potential inequalities which may stem from the proposals if not proactively addressed. It will be necessary to complete individual service EIAs when the specific teams are merged. It simply is not possible to undertake this at a macro level.</p>
Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	Yes	<p>Should the single district go ahead the potential for consistency across the district and therefore advancement of equality of opportunity should be enhanced.</p> <p>Both Council's currently promote and raise awareness of the role of elected members. The new authority will have proportionately fewer Councillors, it will be therefore necessary to promote a Council which is representative of its communities.</p>

Aim	Yes/No	Explanation
		We do not envisage that there will be any negative impact on the accessibility of meetings for any the protected characteristics. Indeed, both Councils have lobbied government to allow for the ongoing holding of virtual meetings.
Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	Yes	<p>Should the single district go ahead the potential for consistency across the district and therefore there could be opportunities to foster good relations which should not be missed.</p> <p>In this particular area existing networks exist across both council areas. In future if the merger is successful then it is expected that these will be reviewed.</p>

Information Gathering	
(1) What type and range of evidence or information have you used to help you make a judgement about the plan/ strategy/ service/ policy?	<p>At this stage the proposed merger does not propose any specific reductions in the services which are provided. Should this be the case post-merger then individual EIAs would be completed for each of these specific issues.</p> <p>What the proposed merger does provide is an opportunity for the Councils to make cost reductions through economies of scale and removal of duplication across the two authorities, with the view of preserving as many services as possible.</p> <p>The Councils are undertaking a comprehensive consultation exercise which is launched on 6 September to fully understand the views of residents. In addition, the Council has commissioned reports from the Local Government Association, Deloitte, Bevan Brittan and others to help inform the Council's decision.</p>

<p>(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?</p>	<p>The proposal is being subject to full consultation. The Councils are engaging with Opinion Research Services (Swansea University) to undertake the consultation on our behalf, this will ensure that the process is completely independent from both Councils. The proposal is being consulted via a questionnaire open to all. It is designed to be completed by residents, businesses, voluntary and community groups, town and parish councils, councillors and staff of the two councils. In addition, a targeted telephone survey is being undertaken to 600 residents which match the profile of the area, which also includes matching to some of the protected characteristic types. Furthermore separate focus groups for residents, businesses, town/parish councils and the community/voluntary sector (will include those who represent those with protected characteristics) are taking place.</p> <p>The consultation is being fully promoted via the usual council outlets/ways, plus direct communication with the town/parish councils to encourage them to promote on their websites and notice boards. We will be promoting the consultation via stakeholders from the community sector.</p> <p>The questionnaire is available in other languages and large print. It is also using immersive reader technology for people with visual impairments.</p> <p>We will monitor the diversity data of the respondents. The results of the consultation will be published by the end of November.</p>
<p>(3) Which of the groups with protected characteristics have you consulted with?</p>	<p>Please see box above. It is not envisaged that the impact on any of these groups will be higher than the impact on all residents.</p> <p>The consultation will include the results by different demographic data to help inform the Council's view. As mentioned above, the consultation at this stage relates to the principle of merging the two councils. There will be the requirement for detailed EIAs to be undertaken for each service area as the Service Integration Programme progresses.</p>

Assess the relevance of the proposal to people with different protected characteristics, and assess the impact of the proposal on people with different protected characteristics.			
Protected characteristic	Relevance to proposal High/Medium/Low/None	Impact of proposal Positive/Neutral/Negative	Explanation
Age	Medium	Neutral	Unknown at this stage
Disability	Medium	Neutral	Unknown at this stage
Gender reassignment	Medium	Neutral	Unknown at this stage
Marriage and civil partnership	Medium	Neutral	Unknown at this stage
Pregnancy and maternity	Medium	Neutral	Unknown at this stage
Race	Medium	Neutral	Unknown at this stage
Religion or belief	Medium	Neutral	Unknown at this stage
Sex	Medium	Neutral	Unknown at this stage
Sexual orientation	Medium	Neutral	Unknown at this stage
Other groups: for example – low income/ people living in rural areas/ single parents/ carers and the cared for/ past offenders/ long-term unemployed/ housebound/ history of domestic abuse/ people who don't speak English as a first language/ People without computer access etc.	Medium	Neutral	Unknown at this stage

Are you going to make any changes to your proposal as a result of these findings, in order to mitigate any potential negative impacts identified?	Following a period of public engagement more information about how a potential single South Warwickshire District Council will affect people with or without a protected characteristic will be collected and the Equality Impact Assessment will be updated with new information.
Is there any potential negative impact which cannot be minimised or removed? If so, can it be justified?	None identified at this stage. This will be reviewed following a period of public engagement.
What additional information would increase your understanding about the potential impact of this proposal?	The assessment will be reviewed, if there are any changes to the service or when the merger is progressed or if there is subsequently a proposed change in service which would have a negative impact.

Next stage:

Date of revised assessment	Click here to enter a date.
Have you made any changes to your initial assessment?	
Did you undertake consultation? – if yes, give date and the consultation results:	
Do you have new information which reveals any difference in views across the protected characteristics?	
Can any new conclusions be drawn as to how the proposal will affect people with different protected characteristics?	
Are you going to make any changes to your proposal as a result of these findings, in order to mitigate any potential negative impacts identified?	
Is there any potential negative impact which cannot be minimised or removed? If so, can it be justified?	

Title: Q2 Budget Report
Lead Officer: Andrew Rollins (01926 456013)
Portfolio Holder: Councillor Hales
Wards of the District directly affected: All

Summary

The report provides an update on the current financial position as at 30th September 2021, both for the current year 2021/22 at the end of Quarter 2, and for the medium term through the Financial Strategy. Key variances and changes are highlighted to inform members, with some recommendations also being put forward for their consideration.

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

Recommendation(s)

- (1)** That Cabinet notes the latest current year financial position for both Quarter 2 (General Fund £312k Favourable and Housing Revenue Account £1.549m Favourable) and forecast for the year (General Fund £557k Favourable and Housing Revenue Account £94k Favourable), with the key variations that drive these positions.
 - (2)** To note the updated profile of budget saving schemes originally approved in December 2020.
 - (3)** That Cabinet notes the impact on the Medium Term Financial Strategy (MTFS) due to changes detailed within the report, and how these changes are expected to be accommodated.
 - (4)** That the Council agrees the 2021/22 forecast surplus is reviewed further as part of the February 2022 Budget report, with the the forecast saving of £557k allocated to the Service Transformation Reserve.
 - (5)** To note the current capital variations for schemes originally approved in February 2021.
 - (6)** That Cabinet approves a further allocation of up to £67,000 for Commonwealth Games street dressing, to be funded from the Service Transformation Reserve.
 - (7)** That Cabinet approves an allocation of £46,200 per annum for the provision of a new Housing Finance Business Partner, to be funded from the Housing Revenue Account Capital Investment Reserve.
-

1 Background/Information

1.1 Current year variances – General Fund

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

1.1.2 General Fund Financial Position as at 30th September (Q2)

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

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

1.1.3 Salaries (General Fund)

- 1.1.3.1 Implementation of savings reviews is ongoing across services, following the update to delivery forecasts discussed in the Quarter 1.
- 1.1.3.2 Continuing with the Salary Vacancy Factor process outlined in the Q1 report, the Q2 adjustment reflects the underspends on salaries within cost centres during the periods 1-5 (April -August).
- 1.1.3.3 As part of the Vacancy Factor process for Q1, £145,100 (GF) and £74,400 (HRA) was appropriated from staffing budgets for months 1 and 2.
- 1.1.3.4 For Q2, the following amounts have been appropriated to the vacancy factor budgets:

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

- 1.1.3.5 This has enabled a further £198k (GF) and £102k (HRA) to be appropriated from Staffing budgets for months 1 -5 as part of the Salary Vacancy Factor process. Overall, 58% of the GF Vacancy Factor has been met, with the HRA Vacancy Factor now being surpassed.
- 1.1.3.6 Once the Vacancy Factor budgets are surpassed (as is the case with the HRA), additional budget that is released will be returned to GF and HRA reserves, available to be used as necessary to meet other emerging challenges and opportunities.
- 1.1.3.7 After the Vacancy Factor Adjustment and departmental service reviews have been taken into consideration, General Fund salaries are £127k favourable against budget at the end of Q2. However, following the vacancy factor process and discussions with the relevant managers, parts of these budgets may be required to backfill where work is behind due to staffing, establishment, and recruitment issues. These assumptions will continue to be reviewed and challenged as part of the Q3 vacancy factor work and Corporate Management Team will continue to oversee the vacancy

management process.

1.1.4 Assets

- 1.1.4.1 The delays to the commencement of a number of Planned Preventative Maintenance (PPM) programmed works reported in Q1 have continued into Q2, resulting in the variation increasing to £650k. A number of factors are resulting in the delays to these works, with the key one being staffing resources within the Assets Service, driven by high levels of sickness, as well as recruitment challenges. It is expected that the full allocation of budget will be used to meet the repairs necessary in order to maintain the corporate stock. However it is likely that up to a third of the £1.5m programme will have to be slipped into the following financial year and so not present a real saving.
- 1.1.4.2 Another contributing factor to the variation is the way in which works are reported with the existing Financial Management System (FMS). One of the expected benefits of the new FMS, which went live in November, is that expenditure commitments will appear in a timelier manner in the system from the Property Management System. This will be as and when orders are raised, rather than only when they are paid. This will improve forecasting against the schedule agreed at Budget Setting in February.
- 1.1.4.3 The continued closure of parts of Riverside House, including level 4, has resulted in the savings against budget increasing to £56k, including £27k of utility savings. It is expected that these costs will increase as more people return to the offices as part of the hybrid working plan, as well as the increased costs associated with the Winter period.
- 1.1.4.4 It should be noted that utility charges are currently within budget heading into the winter, and the Council should not be impacted by the recent increases in wholesale costs. However, the current rates are only fixed until March 2022. From this date, prices are expected to increase by around 20%, which will be incorporated into the 2022/23 budgets and Medium Term Financial Strategy in due course.

1.1.5 Cultural Services

- 1.1.5.1 The indoor sites, including the Royal Spa Centre, Royal Pump Rooms and Town Hall remained closed until September. The income foregone (£442k) has been offset in part by a reduction in expenditure costs (£380k), such as bar supplies and Artist booking fees. Further support has been received through Government grants, both those specific to the Arts sector, and through the Sales Fees and Charges Income Compensation Scheme. Heading into the Winter period, the number of events held typically increases, with the largest event each year being the Pantomime, so ticket sales will continue to be monitored over this period as part of the reopening plan. There are also a number of rescheduled events taking place over this period.
- 1.1.5.2 The Council has continued to support casual staff through the closure, with the decision to furlough them from May 2020. The Council's final claim for salary costs in respect of 28 casual staff through the Coronavirus Job Retention Scheme, better known as Furlough, was made covering the month of July. The scheme was now formally ended as of 30 September 2021.

- 1.1.5.3 Due to the pandemic, no Everyone Active concession income was allowed within the original Budget for 2021/22, rather than the £1.252m concession agreed within the original contract. Everyone Active submitted a financial projection for 2021/22 which was reported to Cabinet in July 2021. This projection anticipated a deficit for the year of £411k based on the situation at the time and the anticipated profile for recovery from COVID. Everyone Active have continued to report their performance monthly to officers, with notable improved performance being reported from June 2021.
- 1.1.5.4 In September 2021, Everyone Active reprofiled their performance based on the first 6 months of the year and adjusted the year end position to a projected surplus of £288k. It should be noted that this is still a forecast and could change again depending on a number of factors including COVID restrictions over the winter months. It should also be noted that this readjusted figure allows for the closure of Abbey Fields and Castle Farm from January 2022.
- 1.1.6 Development Services
- 1.1.6.1 Development Control received a large planning fee relating to the proposed Gigafactory in the District, resulting in the significant uplift in income for the period.
- 1.1.7 Environment & Operations
- 1.1.7.1 A recurrent contingency budget of £750k per annum was established as part of Budget setting in February to mitigate the expected long term reductions in car park income because of reduced activity, driven by changing shopping, social and work habits. Following a challenging first quarter where a number of restrictions were still in place, car parks across the District then benefitted from increased activity throughout the Summer. This has been driven by the return of key outdoor events, including the Leamington Food Festival, which have driven footfall. Other car parks, primarily those linked with the parks and recreation sites, have also seen higher than forecast activity, likely due to the restrictions around foreign travel that were still largely in place over this period, resulting in more people visiting UK and local attractions.
- 1.1.7.2 While the winter periods may present further challenges for this service (outside of Christmas), it is expected that the requirement for this contingency may be reduced going forwards. This will be reflected through releasing £250k on a recurrent basis from this year, with a further recurrent £250k being released from the start of 2022/23.
- 1.1.7.3 Bereavement activity has started to stabilise following a year of increased activity, with levels of burials and cremations being driven last year by COVID-19 related deaths, giving rise to additional income. As at quarter 2 income is currently £200k adverse against budget. The ongoing demand for the services has been reviewed as part of the fees and charges and budget setting processes.
- 1.1.7.4 Additional waste collections have continued into 2021/22, with increased volumes requiring collection from residential properties due to the continuing prevalence of remote / hybrid working. This is incorporated into the new waste contract commencing in August 2022. In 2020/21, the

additional cost of collection totalled £600k.

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

1.1.8 Housing Services – General Fund

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

1.1.9 Strategic Leadership

- 1.1.9.1 A number of other COVID-19 specific costs have been incurred during the first half of the year, including the provision of Personal Protective Equipment and cleaning / sanitation. These costs will continue as the Council continues to mitigate the risks, and to support the move to hybrid working from November.
- 1.1.9.2 The Government extended its sales, Fees and Charges COVID-19 Income Compensation Scheme last year to continue into Quarter 1 2021/22, based on the same principles:
- The local authority will absorb the first 5% of the loss
 - The Government will fund 75% of the loss thereafter.
 - The losses are in respect of sales, fees and charges that are not recoverable (including the concession fee from Everyone Active)
 - Rents, commercial income, and interest receipts are excluded.
- 1.1.9.3 The Quarter 1 return was submitted on 22nd September, outlining £566k of lost income as a result of COVID-19. It is worth remembering that across this period (April-June) there were still varying levels of restrictions still in place. Following on from the principles as outlined in 1.3.5.1, this equates to a claim of £424k.
- 1.1.9.4 Within the Medium Term Financial Strategy last reported to Cabinet for Q1, estimated income in respect of this scheme was calculated at £600k. Therefore, an adjustment of £176k has had to be incorporated into the latest update of the strategy.
- 1.1.9.5 The Council's wholly owned Housing Company Milverton Homes Ltd (Company Number 13123477) entered into a Joint Venture (Crewe Lane LLP) with housing developer Vistry Partnerships Ltd (Company Number 00800384) to facilitate the construction of 620 dwellings in Kenilworth on 27th August 2021. To finance the JV the Council issued 4 loans of varying terms to the value of £50m. A further £10m in loans is committed to be issued in April 2022.
- 1.1.9.6 All loan interest and capital repayments will be serviced by and are the liability of the JV with necessary legal and financial securities and charges in place to protect the Council's interests in line with expert legal and financial advice. The loan interest payable to the Council from Crewe Lane LLP is charged at a commercial rate and any surpluses will be retained by the Council to support service operation. This is expected to return £964k in 2021/22. The 248 Affordable and Social Housing Dwellings will be constructed and handed over to the Council's HRA over a phase period ending in approximately 2028. Milverton Homes has also committed to

purchase 62 further dwellings.

- 1.1.9.7 Within the 2021/22 Budget agreed by Council in February there was a Contingency Budget of £200k for any unplanned unavoidable expenditure. To date £223k has been committed from this budget. This will be further reviewed as part of the 2022/23 budget setting process.
- 1.1.9.8 The progress against the Budget savings proposals is outlined in section 1.3.

1.2 Current year variances - Housing Revenue Account

- 1.2.1 Variations have been identified by the Accountancy Team in conjunction with the relevant budget managers, giving a favourable variance of £1.549m as at 30th September, with a forecast favourable variance for 2021/22 of £94k. A summary of this is provided below:

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

- 1.2.2 Staffing resources across the Housing Revenue Account have seen similar issues to those impacting the Assets teams. Sickness and recruitment challenges have been present and are likely to continue going forwards in the immediate future.
- 1.2.3 Continued delays in receiving invoices from contractors for housing repairs, both major and responsive, is leading to the favourable variance YTD. As reported at Q1, a process has been implemented to ensure order data from the Housing Management System (Active H) appears in the new Finance Management System (FMS) as orders are raised, ensuring expenditure reporting is more robust and timelier than it is through the existing FMS. The new FMS went live on 8th November. A further update will be provided for Q3, with any necessary changes made via the budget setting process. It should be noted that major and responsive works are ongoing, with the expectation that the £6.450m will be utilised.
- 1.2.4 The time with which properties are vacant between tenancies has increased since the start of the pandemic. Resourcing issues with ensuring contractor access for repairs and cleaning has resulted in delays in being able to get new tenants into these properties. During the period of vacancy, it is the HRA which picks up the cost of the Council tax.
- 1.2.5 There have been delays in receiving Solar panel income from the supplier. This is expected this to be resolved during the year.
- 1.2.6 A one-off purchase of equipment to support the installation of a new Warwick Response system has been made in this period. Warwick Response as a service will benefit from increased income and efficiencies going forward as a result of

the expansion of the service, having now taken on customers from North Warwickshire as part of an ongoing service agreement.

1.3 Recommendation 2 – Budget Savings Progress

- 1.3.1 Managers have provided updates as to expected delivery against the Budget Savings Proposals agreed originally in December 2020, and last reviewed as part of the Q1 report.
- 1.3.2 The latest updates have resulted in a further reduction in expected delivery of savings from Digital Transformation in 2021/22 of £75k to £200k.
- 1.3.3 Kenilworth Leisure Centre borrowing is forecast to be delayed by 6 months to 2024/25, so savings £250k in 2023/24.
- 1.3.4 Within the savings, a £500k 'in-year underspend' was allowed for. At this point in the year, nothing has been explicitly allocated to this. However, as part of the on-going Budget monitoring throughout the remainder of the year, any projected savings will be allocated against this heading.
- 1.3.5 See Appendix 1 for a full breakdown of the progress on the Budget Savings Proposals.
- 1.3.6 With many of these savings still requiring much work to be carried out, a more prudent stance has been taken in projecting the likely savings from some initiatives. These savings are reviewed monthly by the Management Team to seek to ensure the savings initiatives are duly progressed.

1.4 Recommendation 3 – Medium Term Financial Strategy (MTFS)

- 1.4.1 The MTFS was last formally reported to members in September as part of Q1 Budget report. At that stage the profile of revenue savings to be found was as follows: -

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

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

1.4.2 Fees and Charges

- 1.4.2.1 Fees and Charges have been reviewed across all Service Areas, with the detail being presented to this Cabinet in its own report (Fees and Charges 2022/23 – Ref 1194).

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

1.4.3 Everyone Active Leisure Contract

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

1.4.4 Waste Contract and Recycling Centre Fire

1.4.4.1 The impact of the fire in July at the Ettington recycling centre is still uncertain currently. Currently a £1m contingency has been put into the MTFS to support any additional costs incurred from this. Further developments on the response to the fire, along with confirmation of the new waste contract, will be incorporated into the Budgets to be reported to members in February.

1.4.5 Updated Medium Term Financial Strategy

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

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

1.4.5.2 It should be noted that the Medium Term Financial Strategy currently presents a surplus position across all years of the strategy. However, a number of these years' surpluses are driven primarily by the non-recurrent income received from the loan interest serviced by Crewe Lane LLP, for which the last year is 2026/27. Once this is excluded, the underlying position moving forward is a forecast £400k surplus. This surplus is still driven by 2 factors which remain significant risks:-

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

1.4.5.3 Therefore, it is still essential for the long term financial standing of the Council that delivery on the ambitious budget proposals, reviewed last

quarter and discussed in section 1.3, is achieved.

- 1.4.5.4 Furthermore, the Council still has significant risks following the fire at the Pure Recycling plant; the labour market in relation to HGV drivers; and its income streams due to the uncertainty around the pandemic.
- 1.4.5.5 Based on the General Fund gross expenditure of c£70m, this forecast surplus is under 1%. Noting the potential volatility of certain income and expenditure streams, the surplus is very low, and could very easily slip into a deficit position.
- 1.4.5.6 Appendix 3 has been included with the report to show the effect on the Medium Term Financial Strategy if none of the Budget proposals outlined in Appendix 1 were to be achieved from 22/23. The summary of this is as follows:

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

1.5 Recommendation 4 – Allocation of General Fund Surplus

- 1.5.1 The current year forecast surplus of £557k is proposed to be allocated to the Service Transformation Reserve.
- 1.5.2 The use of all the Council's Reserves and Balances will be considered further as part of the Budget Report in February 2022.

1.6 Recommendation 5 – Capital Variations

- 1.6.1 The following proposed changes to the Capital Budget have been identified:-
- 1) Castle Farm Sports Pitch Drainage—£73k slippage into 2022/23.
 - 2) Play Area Improvements- £100k slippage into 2022/23.
 - 3) 2nd Warwick Sea Scouts- £337k saving as project complete (£250k paid back by Sea Scouts).
 - 4) Lord Leycester Warwick Town Wall- £100k slippage into 2022/23.

- 5) Covent Garden Electrics- refunds of £113k to go back into Corporate Asset Reserve.

1.7 Recommendation 6 – Commonwealth Games Street Dressing

- 1.7.1 Officers have been working closely with the Organising Committee of Birmingham 2022 Commonwealth Games as further details emerge on volunteering, Live Sites, and street dressing for summer 2022. In Feb 2021 an allocation of £83k was made from the Commonwealth Games Reserve to cover these three areas of work, the figures being based on the information that officers had at the time. Whilst the costs associated with volunteering and live sites have remained relatively static over the last 10 months, the street dressing work stream has evolved. The official Look Book containing the range of street dressing items was released in late October, allowing officers to undertake more detailed planning and costing of proposals for the district.
- 1.7.2 The range of street dressing offers an opportunity for the district to “dress” the towns to show them off to their best making local residents proud of their district and to create a real sense of arrival for visitors during the Games. The original plan had been to focus on relatively low-key street dressing on the walking routes to the venues (B2022 will dress the 2 venues i.e., St Nicholas Park and Victoria Park), some specific dressing at the Live Site in the Pump Rooms Gardens (WCC will dress the Warwick Live site in Market Square) and some targeted dressing in Kenilworth and Whitnash in partnership with the Town Councils.
- 1.7.3 However, on reflection, it feels that the Council is missing a trick in celebrating the district. It is considered that this more ambitious approach will make a real impression for residents and visitors to the district and may create a model that could be replicated for future large events in the district.
- 1.7.4 To achieve this more high-profile approach, additional budget is required. Work is ongoing to finalise the proposals for the various street dressing items in terms of costs and locations; and whilst officers have engaged with each of the Town Councils, details of the financial contributions from the respective town councils have yet to be confirmed. Therefore, it is requested that Cabinet agree to a further allocation of funding of up to £67,000, in addition to the £83,000 already in the budget, with approval for spending this budget allocated to the Chief Executive, Head of Cultural Services (joint sponsors of the project) in consultation with the Portfolio Holder for Leisure, Tourism and Culture. The allocation is proposed to be made from the Service Transformation Reserve.

1.8 Recommendation 7 – Housing Finance Business Partner

- 1.8.1 As the Council increases and develops its Housing strategy, both through the Housing Revenue Account funded new housing developments, and through the establishment of a Local Housing Company (see section 1.1.9.5), the resources within the existing Accountancy Team have increasingly become stretched. Therefore it has been agreed, with consultation and support from the Head of the Housing Revenue Account and the Head of Finance, that a new permanent post is added to the establishment.
- 1.8.2 The post will play a key role in the provision of a comprehensive accountancy service for Housing, including HRA and Local Housing Company support for the Council and to assist the Principal Accountant with their responsibilities.

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

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

- 2.1** No alternative options are presented

3 Consultation and Member's comments

- 3.1** The Finance Portfolio Holder points out that the apparent forecast surplus of £400k referred to in paragraph 1.4.6.2 is dependent upon the Council achieving all the annual savings within Appendix 1 of over £6m (which includes charges from green waste), and the full concession being received for the Council's Leisure Centres of over £1.6m. Without these, the Council will be facing a deficit position and have to seek to find further savings if services are to be protected.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 The proposals are in line with current legislation where applicable.

4.2 Financial

- 4.2.1 Officers review current year budgets against outturn on a monthly basis at the same time as considering their implications for the medium term. Members are updated on a quarterly basis. As part of this process budget managers are asked to review both their salary position and revenue position through returns with Accountancy, and update / comment as necessary. This process has been strengthened for 2021/22 through increased formalisation. Going forward, further reviews and changes to this process will be implemented through utilisation of the new Financial Management System (FMS), which went live in November 2021.
- 4.2.2 The Budget Review Process provides a planning tool to ensure resources are directed to the Council's priorities. Alongside the Council's own activities, external factors influencing its finances are also taken into consideration, for example Central Government Financing, the Business Rates Retention scheme, changes in legislation and the economy.
- 4.2.3 The Council maintains its Reserves to deliver Capital and other projects, and to ensure that there are sufficient resources available to manage unforeseen demands and continue to deliver its services. Close monitoring of these Reserve balances and Capital Programme, together with plans to replenish them will preserve the financial stability of the organisation for future years.
- 4.2.4 Members will note the significant change in the profile of the Medium Term Financial Strategy as a result of developments within Q2. However, members should be aware that the interest income being received is on a non-recurrent basis for 6 years. Therefore, it is still essential that the Council continues to work towards delivering its savings proposals as agreed in December 2020, and updated as part of the Q1 Budget Report. This will ensure the Council is not being run at a deficit on the provision of services once this income source has ended.

4.3 Council Plan

4.3.1 In respect of Warwick District Council's Business Plan this proposal will have the following relevance and impact as set out below.

External:

4.3.2 People - Health, Homes, Communities

4.3.3 Services - Green, Clean, Safe

4.3.4 Money - Infrastructure, Enterprise, Employment

Internal:

4.3.5 People – Effective Staff

4.3.6 Services – Maintain or Improve Services. The Council's Budget seeks to allocate the Council's financial resources to ensure the Council's services continue to be provided in accordance with Council policies and priorities, and resources for projects are similarly prioritised.

4.3.7 Money - Firm Financial Footing over the Longer Term. The Council's Medium Term Financial Strategy seeks to allocate the Council's financial resources to ensure the Council's services continue to be provided in accordance with Council policies and priorities, and resources for projects are similarly prioritised.

4.4 Environmental/Climate Change Implications

4.4.1 WDC has a budget of £500,000 per annum for Climate Change. It is proposed to utilise this for 2022/23 and 2023/24, in conjunction with Stratford District Council's Climate Change Fund to support a number of priorities within the Climate Change Action programme.

4.4.2 Proposals for the use of this budget were outlined in the Climate Change Action Programme report presented to Cabinet on 4 November (Item 11).

4.5 Analysis of the effects on Equality

4.5.1 Not relevant.

4.6 Data Protection

4.6.1 Not relevant.

4.7 Health and Wellbeing

4.7.1 Not relevant.

5 Risk Assessment

5.1 The February Budget report detailed the main financial risks facing the Council. Many of these related to local authority funding, notably Business Rate Retention.

5.2 The COVID-19 pandemic has brought many risks to the Council's finances since March 2020 relating to income and expenditure. Whilst it is believed the figures within this report present prudent yet reasonable estimates, it is possible that the financial position for the current year and future years could be worse than forecast. Furthermore, the situation with the national and international

environment could lead to further unknowns, particularly relating to the recovery and whether we will continue moving forward as part of this.

5.3 Many controls and mitigations are in place to help manage the financial risks facing the Council. These include: -

- 5.3.1 The comprehensive Budget Review process. This entails all budget managers reviewing their budgets on at least a monthly basis, considering previous, current, and future years, along with any possible issues that may impact upon their budgets. As part of this process, regular Budget Review reports are issued to Cabinet and the Senior Management Team.
- 5.3.2 Financial Planning with the MTFS / financial projections, bringing together all issues that will impact on the Council's finances in the medium term.
- 5.3.3 Financial controls, including the Codes of Financial and Procurement Practice, system controls, reconciliations, audit (internal and external).
- 5.3.4 Project Management and associated controls.
- 5.3.5 Trained staff and access to appropriate professional advice (e.g., WCC Legal).
- 5.3.6 Risk Management process across the Council, including the on-going review and maintenance of risk registers.
- 5.3.7 Scrutiny by members of the Council's finances, including Budget Reports, and the financial implications of all proposals.
- 5.3.8 Within the 2021/22 Budget there is a Contingency Budget, originally of £200,000 for any unplanned unavoidable expenditure. Additionally, a separate COVID contingency of £923,000 was included. The use of these balances has been discussed within this report.
- 5.3.9 Reserves – The Council holds a number of reserves, with each being allocated for specific purposes. Whilst much of these reserves have already been earmarked for agreed projects, it is important that reserves are held for any unforeseen demands. The use of the Business Rate Retention Volatility Reserve does reduce the forecast balance on this reserve to around £1m. This balance should not be allowed to go below this level.
- 5.3.10 The General Fund Balance is available to accommodate any unplanned expenditure, or to make up any shortfall in income. However, the Council should seek to maintain the balance of at least £1.5m.
- 5.3.11 The specific causes of reductions to income or increased expenditure should continue to be managed by the relevant Service Area as part of managing the risks within each Service Risk Register. Each Service Area's Risk Register is presented to Finance and Audit Scrutiny Committee annually on a rolling basis.

6 Conclusion/Reasons for the Recommendation

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

Background papers:

Quarter 1 Budget Report (Cabinet 23 September 2021 – Item 6)

Fees and Charges 22-23 (Cabinet 4 November 2021 – Item 5)

Climate Change Action Programme (Cabinet 4 November 2021 – Item 11)

Supporting documents:

Appendix 1 – Budget Proposals Q2 update

Appendix 2 - Financial Strategy Q2 Update

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	Cabinet – 4 November 2021	
Title of report	Quarter 2 Budget Report 2021-22	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		
Portfolio Holder WDC	28/11/21	Councillor Hales
Financial Services *	29/11/21	Andrew Rollins
Legal Services *		
Other Services		
Chief Executive(s)	28/11/21	Chris Elliot
Head of Service(s)	28/11/21	Mike Snow
Section 151 Officer	29/11/21	Mike Snow
Monitoring Officer	28/11/21	Andrew Jones
CMT (WDC)		
Leadership Co-ordination Group (WDC)		
Other organisations		
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to :Cabinet / Council F&A Committee
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

Updated Forecast Savings		Base Position - Savings Agreed February 2021					Updated figures - Sept 2021 -					Appendix 2				
Figures show annual change, with all figures deemed to be recurring.												Variance to Base Position				
Service	Service Area & Initiative	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
CE	Review member civic support arrangements.	50					31					-19				
CE	Review Corporate Support Team arrangements.	30					30									
CE	Review Management Information collection and publication arrangements in context of closer working with SDC.		30					30								
HCP	Review Pest Control Service.	25	25					25				-25				
HCP	Review Health & Community Protection team arrangements.	60					31					-29				
HCP	Remove community forum grants	27					27									
FI	Review customer service frontline arrangements.	125					125									
FI	Remove procurement support from WCC	20					20									
CS	Review of Sports and Leisure team arrangements.	60										-60				
CS	Explore options for commercial letting of sports pitches and track		15					15								
AS	Review surveying team arrangements	40					40									
HS	Fund specific Housing posts from Flexible Homeless Support Grant	88	-88				88	-88								
NS	Review Neighbourhood Services team structures	54					54									
NS	Review of Ranger service	27					27									
NS	Make payments at car parks cashless	30	25				30	25								
NS	Introduce charges for Newbold Comyn car park	25	25				25	25								
NS	Additional saving from Contract lots 2 and 3	300					300									
DS	Increase take from CIL Admin Fund	8					8									
DS	Host new commercial events on WDC land	30					20					-10				
DCE	Digital transformation savings	250	250				50	250				-200				
FI	FMS replacement (part of digital transformation savings)															
HCP	Civica APP replacement (part of digital transformation savings)															
HCP	Voluntary/Community Sector Commissioning cost paid differently	300					300									
FI	Pay for RUCIS differently	150					150									
MISC	WDC/SDC CMT/SMT Change and Amalgamation	250	110	275			221	62	118			-29	-48	-157		
MISC	WDC/SDC Other service integration	140	420	280	280	280		420	280	280	280	-140				
MISC	In-year underspend	500					500									
MISC	Hotel lease at Europa Way		110						110				-110	110		
MISC	HQ Saving		250	225					250				-250	25		
MISC	Fees and Charges at circa 15%	503	245	262			503	245	262							
MISC	KLC borrowing cost funded in 21/22 and 22/23 from another source.	500		-250	-250		500		-500					-250	250	
MISC	Introduce Green Waste Charges		600	300				1,000					400	-300		
	TOTAL	3,592	2,017	1,092	30	280	3,080	2,009	520	280	280	-512	-8	-572	250	
	Cumulative	3,592	5,609	6,701	6,731	7,011	3,080	5,089	5,609	5,889	6,169	-512	-520	-1,092	-842	-842

Medium Term Financial Strategy

Appendix 2 (i)

	2021/22 £'000	2021/22 latest £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Savings from Recurring Dev's (£'000's)			1,258	1,230	1,900	1,571	1,107
Net Cost Of General Fund Services	28,236	28,327	22,716	21,440	21,117	21,956	22,826
Investment Interest	-757	-757	-492	-295	-293	-291	-290
New Homes Bonus-unallocated Balance							
Other Financing Adjustments	-10,035	-10,683	-8,444	-8,114	-7,900	-7,894	-7,889
Net Expenditure after adjustments	17,444	16,887	13,780	13,031	12,924	13,771	14,647
Revenue Support Grant							
NNDR (Business Rate Retention, including SBR grant)	-4,324	-4,324	-3,539	-3,645	-3,754	-3,864	-3,864
Collection Fund Balance	39	39	54	54			
New Homes Bonus	-3,269	-3,269	-1,278				
Other Grants and Government Funding							
Amount being from Council Tax	-9,889	-9,889	-10,275	-10,669	-11,070	-11,477	-11,889
Band D Equivalent	£176.86	£176.86	£181.86	£186.86	£191.86	£196.86	£201.86
% increase on previous year	2.91%	2.91%	2.83%	2.75%	2.68%	2.61%	2.54%
Net Expenditure after adjustments	17,444	16,887	13,780	13,031	12,924	13,771	14,647
Total Grant and Council Tax Income	-17,444	-17,444	-15,038	-14,261	-14,824	-15,342	-15,754
Deficit-Savings Required(+)/Surplus(-) future years	0	-557	-1,258	-1,230	-1,900	-1,571	-1,107
Change on previous year	0		-1,258	28	-670	329	464
Current Year Surplus(-) Defict (+)		-557					
Changes to Surplus (-) / Savings (+) req from agreed MTFS Feb 2021		-557	-1258	-1408	-1870	-1355	-1107

	2021/22 £'000	2021/22 latest £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Base Cost of General Fund Services	35,949	28,236	28,327	23,974	22,670	23,017	23,527
Inflation on Controllable Expenditure	306	0	364	413	424	446	448
Recurring Growth	3,254	-250	1,572	108	724	-289	-425
Items funded from Reserves	2,319	648	425	221	49	49	49
Total New time limited growth/savings	-1,972	-307	-6,026	-7,647	-8,276	-7,923	-7,540
Less previous year 1 Off/Time Limited Growth	-2,139	0	-688	5,601	7,426	8,227	7,874
Changes in Capital Charges	-9,481	0	0	0	0	0	0
Net Cost of General Fund Services	28,236	28,327	23,974	22,670	23,017	23,527	23,933
Less:Capital Financing Charges	-6,488	-6,488	-6,488	-6,488	-6,488	-6,488	-6,488
Less IAS19 included above	-2,860	-2,860	-2,478	-2,478	-2,478	-2,478	-2,478
Controllable Expenditure	18,888	18,979	15,008	13,704	14,051	14,561	14,967
Financing Charges etc.							
Loan repayments etc	542	542	575	609	615	621	626
Revenue Contributions to Capital	2,261	2,261	259	80	80	80	80
Contributions to/from reserves	-3,490	-4,138	-312	163	371	371	371
External investment interest	-757	-757	-492	-295	-293	-291	-290
Total Financing Charges etc	-1,444	-2,092	30	557	773	781	787
(Deficit)/Surplus		557					
Net Expenditure	17,444	17,444	15,038	14,261	14,824	15,342	15,754
NNDR redistributed	-4,324	-4,324	-3,539	-3,645	-3,754	-3,864	-3,864
New Homes Bonus	-3,269	-3,269	-1,278				
Collection Fund Balance	39	39	54	54			
Total AEF/Collection Fund	-7,554	-7,554	-4,763	-3,591	-3,754	-3,864	-3,864
Council Tax borne expenditure	9,889	9,889	10,275	10,669	11,070	11,477	11,889
Equivalent to Band D Council Tax	176.86	176.86	181.86	186.86	191.86	196.86	201.86
% increase on previous year	2.91%	2.91%	2.83%	2.75%	2.68%	2.60%	2.54%
Council Tax Base	55,917	55,917	56,500	57,100	57,700	58,300	58,900

	2021/22 £'000	2021/22 latest £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Savings from Recurring Dev's (£'000's)			-750	-1,409	-966	-1,515	-1,913
Net Cost Of General Fund Services	28,236	28,327	24,725	24,079	23,983	25,041	25,846
Investment Interest	-757	-757	-492	-295	-293	-291	-290
New Homes Bonus-unallocated Balance							
Other Financing Adjustments	-10,035	-10,683	-8,444	-8,114	-7,900	-7,894	-7,889
Net Expenditure after adjustments	17,444	16,887	15,789	15,670	15,790	16,856	17,667
Revenue Support Grant							
NNDR (Business Rate Retention, including SBR grant)	-4,324	-4,324	-3,539	-3,645	-3,754	-3,864	-3,864
Collection Fund Balance	39	39	54	54			
New Homes Bonus	-3,269	-3,269	-1,278				
Other Grants and Government Funding							
Amount being from Council Tax	-9,889	-9,889	-10,275	-10,669	-11,070	-11,477	-11,889
Band D Equivalent	£176.86	£176.86	£181.86	£186.86	£191.86	£196.86	£201.86
% increase on previous year	2.91%	2.91%	2.83%	2.75%	2.68%	2.61%	2.54%
Net Expenditure after adjustments	17,444	16,887	15,789	15,670	15,790	16,856	17,667
Total Grant and Council Tax Income	-17,444	-17,444	-15,039	-14,261	-14,824	-15,341	-15,754
Deficit-Savings Required(+)/Surplus(-) future years	0	-557	750	1,409	966	1,515	1,913
Change on previous year	0		750	659	-443	549	398
Current Year Surplus(-) Defict (+)		-557					
Changes to Surplus (-) / Savings (+) req from agreed MTFS Feb 2021		-557	750	1231	996	1731	1913

Title: Council Motion – Leisure provision in Kenilworth during construction of new facilities

Lead Officer: Rose Winship 01926 456223

Portfolio Holder: Councillor Bartlett

Wards of the District directly affected: All Kenilworth wards

Summary

A Notice of Motion was presented to Council on 20th October 2021 and passed unanimously asking the Cabinet to work with Everyone Active to put in place creative and imaginative solutions to ensure that during the demolition and construction work at Abbey Fields and Castle Farm, as many existing members of Everyone Active are both retained and encouraged to take exercise.

Recommendation(s)

- (1)** That the Cabinet approve the actions that are already underway as detailed in Appendix 1
 - (2)** That the Cabinet note the explanation in the report relating to item e) in the Motion to Council
-

1 Background/Information

- 1.1 The Motion presented to Council sought reassurance that the Cabinet and officers would work closely with Everyone Active (EA) to ensure that wherever possible, alternative options were available for customers of Abbey Fields and Castle Farm to continue to take regular exercise when the facilities are closed from Jan 2022 to Spring/Summer 2023 to allow the new facilities to be constructed.
- 1.2 Work has been ongoing for some time to relocate programmed activities from Abbey Fields and Castle Farm to identified spaces within the other district sports facilities. Everyone Active are confident that they will be able to offer alternative sessions to all of their users during the build period. It must however be recognised that some of the alternative options will require customers to travel to access their classes/bookings. Officers and EA are doing what they can to provide as many options as possible as close as possible to Kenilworth. Appendix 1 details the latest position regarding alternative provision.
- 1.3 A detailed communications plan is in place to ensure that all EA members and residents of Kenilworth are aware of the alternative provision during the construction of the new facilities. This will include direct mailing of EA members, updates for club and school bookings, and updates on EA and WDC websites directing customers to a range of options. An example is attached as Appendix 2 – Email to parents with children on swimming lessons

- 1.4 Item e) in the Motion to Council made the statement that “any loss of members by Everyone Active during the demolition and construction work will result in lost income to the District Council and so will be a potential cost to local taxpayers”. This is not entirely accurate as the Council will have an agreed financial position with EA which will factor in the closure of the facilities, and project a level of recovery when the sites reopen. It should also be noted that Abbey Fields and Castle Farm both currently run at a loss, with the value of the contract coming from the modernized Newbold and St Nicholas Park centres.

2 Alternative Options available to Cabinet

- 2.1 Cabinet could ask officers to work with Everyone Active to provide additional indoor activities at alternative venues i.e. (village halls and function rooms), but these will come at an additional cost to the Council and will also compete with local established independent providers.

3 Consultation and Member’s comments

- 3.1 The Motions tabled by Cllr Dickson asked for the Cabinet to work with Everyone Active to develop creative ideas that would offer a variety of ways for the residents of Kenilworth and members of Everyone Active to maintain active lifestyles while Abbey Fields and Castle Farm are close for redevelopment. This report outlines that the actions that have already been confirmed or are in development.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 N/A.

4.2 Financial

- 4.2.1 Officers are in negotiations with EA to approve the latest financial projections for the wider contract for 2021/22 and for 2022/23. A financial projection for 2023/24 will be agreed in due course. Each of these projections will factor in the closure of Abbey Fields and Castle Farm from Jan 2022 to Spring/Summer 2023.

4.3 Council Plan

- 4.3.1 In respect of Warwick District Council’s Business Plan these proposals will have the following relevance and impact as set out below:

External:

People - Health, Homes, Communities – The proposal seeks to offer alternative opportunities for people of Kenilworth to participate in active lifestyles during the closure of the 2 Kenilworth centres.

Services - Green, Clean, Safe - The proposal seeks to offer local opportunities to reduce wherever possible the need to drive excessive distances to participate in activities.

Internal:

People - Effective Staff – The proposals will require ongoing close work between WDC officers and Everyone Active and other stakeholders for the coming 18 months.

Services - Maintain or Improve Services – the Council are investing significant funds to provide modern facilities for Kenilworth and the wider district. In the interim the proposals will offer a range of opportunities that the Council can

monitor during the closure period.

Money - Firm Financial Footing over the Longer Term – the modernised facilities from 2023 onwards will strengthen the contractual financial agreement between WDC and Everyone Active.

Environmental/Climate Change Implications

4.3.1 N/A

4.4 Analysis of the effects on Equality

4.4.1 No EqIA has been completed. The impact on users is a temporary situation, and when the new facilities are open in 2023, all sectors of the community, irrespective of any protected characteristics, will be able to enjoy these improved centres.

4.5 Data Protection

4.5.1 N/A

4.6 Health and Wellbeing

4.6.1 It is acknowledged that provision of appropriate alternative opportunities for local people to take exercise is essential if we are to continue to encourage individuals to adopt active lifestyles. The range of options are designed to provide choice for local people. There is no one simple solution as each individual will choose what solution works for them while Abbey Fields and Castle Farm are closed. Based on the experience at Newbold Comyn and St Nicholas Park following their refurbishment in 2018 the vast majority of existing customers returned to the facilities, together with significant numbers of new members.

5 Risk Assessment

5.1 The risks associated with this report are largely risks around the construction programme which will be captured in the project risk register in due course.

5.2 There are risks that some customers may not find a suitable alternative for them to continue to be active, but officers and EA believe that a suitable range of options have been provided (Appendix 1)

6 Conclusion/Reasons for the Recommendation

6.1 Officers will continue to work with Everyone Active to develop a wide range of alternative options for customers of Abbey Fields and Castle Farm to exercise during the construction period at these sites. These options will be communicated through a range of channels throughout the closure period.

Background papers:

None

Supporting documents:

None

APPENDIX 1 – Situation as at 9th November 2021

Everyone Active Members:

- Will receive direct mail communication w/c 8th November to explain the options available to them to use other Everyone Active facilities.
- Existing swimming lesson customers will be offered a place by the end of November on a swimming scheme at other local pools from January 2022. Current swimming classes will continue at Abbey Fields until the pool closes at Christmas.
- 79% of sports hall activities have already confirmed a move to other EA sites in the district. Work is ongoing to relocate the other activities. Of the 79%, 64% of the bookings are remaining in Kenilworth, using Meadows Community Sports Centre as an alternative venue. Only one booking has chosen to go elsewhere to a non EA venue; and 1 booking has chosen to suspend their activity during the closure
- Direct Debit members will be able to use all other Everyone Active leisure centres during the upgrade at no additional upgrade fees (Kenilworth site fees are currently slightly less than Warwick or Leamington sites)
- 64% of exercise classes from Castle Farm have confirmed that they will move to another EA site in the district, and 3 classes will move to Meadows Sports Centre.
- Direct Debit members will have free access to "Everyone on Demand" – the online exercise platform that allows members to log on from home to a range of exercise classes at a time to suit them. The classes include fitness, health & well being and personal training options.
- Meadows Community Sports Centre will return to a 7 day a week operation. Weekend opening had been suspended as we emerged from COVID due to restrictions on certain sports but also on availability of staffing.

Clubs and Schools:

- Everyone Active will be working closely with club organisers to identify alternative locations for club activities whilst the centres are closed. Clubs will announce any changes directly with their members once they have been confirmed.
- Over 30's Club has moved to Newbold Comyn LC; Baginton Swimming Club will be offered EA swimming lessons for the period of closure; Junior Triathlon Club have rejected the offer of EA venue but are in contact with Warwick University regarding water space. If water space can be found at a suitable time at Newbold or St Nicholas Park then the club has expressed a wish to consider option. Kenilworth Masters have rejected the offer of space at St Nicholas Park but EA continue to review if alternative space could be offered without significant impact on public swimming.
- Kenilworth Swimming Club have relocated to Newbold Comyn Leisure Centre where they have been throughout the COVID restrictions.
- Schools currently using Abbey Fields will all be offered space at either Newbold or St Nicholas Park pools. Work is ongoing with these schools – but the latest position is that St Nicholas school and Crackley School are in discussion about moving their classes to Newbold or St Nicholas Park. Clinton have chosen to pause their swimming activities, but EA will keep in contact with the school regarding alternative options in 2022. Some Kenilworth schools have already transferred to these other sites in advance of the closure announcement.

Alternative providers of activities/classes:

- WDC officers are in dialogue with other non WDC/Everyone Active organisations who already offer fitness classes of various types in Kenilworth to see if they would be willing for the Council to advertise these opportunities to local residents in order to offer an alternative to Castle Farm Recreation Centre during the period of the works. These opportunities will be listed on the WDC website to provide alternatives for those wishing to continue to exercise locally in the town and villages close to Kenilworth.
- A meeting took place on 3rd Nov with Kenilworth Lawn Tennis and Squash Club to discuss how facilities at the club could be made available to non members during the unavailability of the Abbey Fields courts. Positive feedback from the club who are about to introduce a "pay and play" option for informal play all year round. Also planning to offer some "taser sessions" based at the club courts to encourage new players.
- Contact has been made with Warwick University to identify opportunities for local people to use the university sports facilities. Once details have been confirmed about fees and membership options, details will be posted on the WDC website.
- Discussion has been had with Kenilworth School to allow public use of the tennis courts (summer term only) and basketball hoops on the Leyes Lane site out of school hours. Bookings and supervision will be managed by Everyone Active while they are on site during out of school hours at Meadows Community Sport Centre.
- Petanque at Castle Farm – the construction contractors are proposing to leave 3 or 4 of the existing rinks for use. The current users are content with this solution.
- Football at Castle Farm – discussions underway with the demolition contractors to retain car parking until April 2022 that can be used by users including footballers. There is also a possible solution to be finalised with the construction contractor that would allow weekend parking for users including football.
- Park Run – the success or otherwise of a Park Run event is a willing franchisee to run the event, and a suitable site with sufficient parking. Officers are not aware of any interest from a Park Run franchisee to establish an event in Kenilworth or any suitable site. It should be noted that there are popular well established Park Runs in Warwick, Leamington Spa, and at Memorial Park in Coventry.
- Walking for Health groups – further work to be done to identify opportunities local to Kenilworth
- Park Permit scheme – officers are suggesting 3 months free trials for groups wishing to start a new group in Kenilworth for the duration of the closure. Details of how this would be managed to be confirmed. To be discussed at the PAB on 11th Nov as part of the general discussion on the Park Permit scheme

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	Cabinet – 9 th December 2021	
Title of report	Council Motion – Leisure provision in Kenilworth during construction of new facilities	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)	20/10/21	Council
Portfolio Holder WDC & SDC *	20/10/21	Council
Financial Services *	16/11/21	Mike Snow
Legal Services *	16/11/21	Phil Grafton
Other Services	16/11/21	Environmental and Operational
Chief Executive(s)	16/11/21	Chris Elliott
Head of Service(s)	16/11/21	Rose Winship
Section 151 Officer	16/11/21	Mike Snow
Monitoring Officer	16/11/21	Phil Grafton
CMT (WDC)	16/11/21	Chris Elliott Andrew Jones
Leadership Co-ordination Group (WDC)	22/11/21	
Other organisations		
Final decision by this Committee or rec to another Ctte/Council?		Final decision
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?		File/Info/Inspect Document/Check Accessibility

Title: Housing Revenue Account Business Plan Review 2021

Lead Officer: Lisa Barker/ Victoria Bamber

Portfolio Holder: Councillor Jan Matecki

Wards of the District directly affected: All

Summary

The Housing Revenue Account Business Plan (HRA BP) is reviewed annually and updated to reflect changes in legislation, the housing market and business assumptions.

The Council must present a 30-year HRA BP as a minimum but has adopted a 50-year HRA BP which must remain viable in line with the longer-term financial commitments, allowing the Council to manage and maintain its housing stock, to proceed with the projects already approved by Cabinet, to service the debt created by the HRA becoming self-financing, to service the debt from new borrowing and provide a financial surplus.

Recommendation(s)

1. That the Cabinet approves the revised Housing Revenue Account Business Plan (HRA BP) assumptions, as set out at Appendix 1, and the revised HRA BP for the 50-year period 2020/21 to 2069/70, as set out at Appendix 2.
 2. That the Cabinet notes that this refreshed HRA BP has factored in a number of recently approved developments within the service area, some of which are presented for approval in December 2021 Cabinet alongside this report.
 3. That Cabinet approve the 10 year Housing Investment Plan capital budgets noted in appendix 4 for the construction and acquisition of new Council housing, funding for major works to housing stock and four new Department for Business, Energy & Industrial Strategy (BEIS) Climate Change Grant funded works schemes in relation to successful Grant and Match Funded Works Bids to make Council homes warmer to achieve a greater Energy Performance Certificate (EPC) standard.
 4. That the Cabinet notes that negative impact assumptions stated in Appendix 1 have been included in the financial modelling shown in Appendix 2 relating to Covid-19, bad debt levels and reduced Right to Buy (RTB) sales for a 3-5-year period alongside an increased levels of arrears.
 5. That the Cabinet recommends to Council a staffing budget increase of up to £102k (inclusive of on-costs) to provide additional capacity, and delegates authority to the Head of Housing in consultation with the Portfolio for Health, Homes and Communities to determine the specific detail of resource requirements. The additional funding required falls within the HRA.
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1 Background/Information

- 1.1 The Housing Revenue Account (HRA) is the financial account used to manage the Council's activities as a landlord. It is a ring-fenced account and can only be used to provide services to Council housing tenants. The HRA Business Plan is a key strategic document which sets out the Council's income and expenditure plans for delivering Council Housing Services
- 1.2 Housing has moved up the national and local political agenda over the last decade. National issues around the affordability of home ownership, high costs of private renting and availability of genuinely affordable homes have driven this. Locally increases in homelessness including the most visible form, rough sleeping, the tragedy surrounding the Grenfell Tower fire, ambitions to deliver new Council homes and the Climate Emergency being declared by the Council in 2019 have shaped the debate more recently alongside the uncertain impacts of Brexit and the ongoing Covid-19 pandemic.
- 1.3 The HRA BP will continue to be reviewed on a regular basis and the underpinning assumptions will require further annual revisions. Without the proposals contained within the report being reviewed regularly the viability of the BP is at risk and will result in the Council needing to curtail its ambitions. The proposals in this BP will allow for future policy changes, and their financial implications, to be managed within the existing plan, and for investment decisions to be made regarding the existing housing stock and future construction, acquisition, and service projects.
- 1.4 April 2012 the national Housing Revenue Account Subsidy System (HRASS) was replaced and Council's operating a HRA were required to do so on a 'self-financing' basis. This required each such council to make a payment (and a few to receive a payment) to Government to secure release from the HRASS, each individually calculated and based on an assessment of the assumed payments that would otherwise have been made into the HRASS had it continued to operate for a further 30 years. In WDC's case this required a one-off payment of £136.2m which was loan financed. On 6th March 2012 Cabinet approved a HRA BP for the period 2012/13 – 2061/62 which, based on the assumptions made at the time, ensured the Council would have a viable plan that provided for the loan to be repaid under the terms arranged, for the investment and management needs of the housing stock to be met and which provided financial headroom, through the accumulation of revenue surpluses that could be used to secure additional HRA homes. As part of the careful management and monitoring of the HRA BP, an annual review of the underpinning assumptions is undertaken and any changes required to the plan as a result, along with any divergences in income or expenditure, are reported to Cabinet annually as well as part of the Council's overall annual budget setting process.
- 1.5 The historic plan was for the HRA BP to repay the self-financing debt repayments from 2051/52 to 2061/62. The revised plan approved in December 2020 Cabinet is for the £136.2m debt is refinanced and repayed at a later point in time. As a result of this change the 50 Year Maturity Loan Interest payment will continue to be facilitated until 2051/52 with a view to the Capital Repayments being re-financed in line with specialist Treasury Advice.
- 1.6 The HRA Borrowing Cap was removed on 30th October 2018 resulting in greater flexibility for the Council to borrow monies (In full or part) to purchase and/or develop housing alongside utilising balances.

- 1.7 In line with the Council's announcement of the Climate Emergency the Housing Improvement Plan, after being extended from 5 years to 10 years at the December 2020 Cabinet, will continue to be presented as a 10-year plan to enable the HRA BP to fund the increased costs associated with these works.
- 1.8 Where available Grant will be actively sought in line with the Council's Affordable Housing Investment Partner Status with Homes England to support currently approved and future housing schemes to lessen the financial impact on the HRA BP.
- 1.9 Development and land purchase schemes approved in separate Cabinet and Council meetings since the HRA BP was last presented in December 2020 have been incorporated into the overall financial assumptions.

2 Reasons for the Recommendations

- 2.1.1 The HRA BP must remain robust, resilient, and financially viable. Revising the HRA BP annually ensures the Council's HRA is able to continue to deliver its ambitious development programme, provide much needed social and affordable housing in the District and facilitate the re-financing of the £136.2m 2012 self-financing loan which was approved in the 11th January 2012 Executive Meeting. The plan to refinance the self-financing debt results in either the partial or full refinancing of the £136.2m loan for a longer period of time.
- 2.1.2 The HRA details the plans for development and acquisition expenditure in the Housing Investment Plan (HIP) alongside its budgets for the major works of its housing stock. In recent years there have been extra demands placed on the HIP from housing development schemes, but also from the requirement to complete increased levels of work and costs linked with maintaining and improving the housing stock in line with the Climate Emergency announcement in 2019 and increased levels of Fire Safety Works. The HRA 10-year HIP ensures the long-term planning of these costs, schedules of works and developments to ensure there are sufficient resources in place.
- 2.1.3 The revised HRA BP provides for a minimum operational balance of £1.5m after all appropriations have been deducted. This minimum surplus is increased annually for inflation alongside ensuring a revenue surplus to be achieved annually for transfer to the HRA Capital Investment Reserve (CIR). As shown in Appendix 2, the balance of the HRA CIR at the end of the current financial year is expected to be £23.1m and, based on current projections, will reduce annually until 2031/32 when it will start to increase again.
- 2.1.4 The original self-financing plan was to service the PWLB Maturity Loan interest cost for 40 years and then begin paying the £136.2m debt capital back in intervals of £13m-£19m over a 10-year period from 2051/52-2061/62. In prior versions of the HRA BP there were sufficient balances within the CIR and Major Repairs Reserve (MRR) to facilitate the repayment of this debt, but this is no longer possible due to the strain on the model caused by the additional climate change and fire safety works alongside increased development and rent increases being reduced due to the impact of Covid-19.
- 2.1.5 By 2061/62 there is a forecast capacity to pay £82.4m of the debt made up of a balance of £43.7m in the CIR and £38.7m in the MRR. At this point the HRA has the option to refinance the loan repayments for the period 2051/52-2061/62 and repay some of the debt. Specialist advice was sought from Link Treasury Management, who confirmed that there is no legal requirement to repay the

debt within the original timeframe linked with the Government's original Self-Financing legislation. It was advised that a number of other Local Authorities have taken the decision to refinance their self-financing debt to enable them to focus on house building and other priorities in the short term. Indeed, this is the financial model adopted by many housing associations. Link Treasury Management advised that a similar level of interest repayment should be assumed in the HRA BP for an indefinite period if the decision to refinance the repayment of Debt Capital is made.

- 2.1.6 Approval of any plans for the partial repayment of debt would need to be revised at that point in time alongside the assessment of further borrowing required. The HRA Business Plan remains viable when continuing to fund the annual £4.765m in self-financing interest payments for the 50-year plan.
- 2.1.7 The revised HRA BP will be able to maintain existing service provision, fully meet the responsive and cyclical repair needs of the HRA stock and continue to invest in refurbishment and improvement work to maintain the Decent Homes Standard through the HIP.
- 2.1.8 The removal of the HRA Borrowing cap on the 30th October 2018 by the Ministry of Housing Communities & Local Government (MHCLG) was implemented to enable Councils to build more homes. During MHCLG's consultation on the matter the borrowing cap was stated to be the biggest barrier to Councils building new homes and as such the cap was removed to "reaffirm the appetite to deliver a new generation of council homes".
- 2.1.9 A further Central Government policy borrowing change on 12 March 2020 advised that the HRA is to be given favourable rates of financing to borrow for acquisitions or construction of Social and Affordable Housing resulting in a reduction in interest rates of 1% from 1.86% to 0.86% where the purpose is for housing related expenditure. Details of all currently approved borrowing for such schemes and the subsequent timing of repayment of this debt are noted on Appendix 2.
- 2.1.10 The underpinning HRA BP assumptions are set out in Appendix 1, with explanatory notes documenting all changes from the previous iteration of the HRA BP. These changes have then been applied to the HRA BP which has been revised, taking the closing 2020/21 financial position as the baseline through to 2070/71. The revised Plan is set out in Appendix 2. A summary of the changes between the previously approved 2020/21 iteration of the HRA BP and the revised current year Plan are set out in Appendix 3
- 2.1.11 A 10-year HIP was adopted in the December 2020 Cabinet Report to enable the Climate Emergency and Fire Safety works to be completed and enables the HRA BP to remain financially viable as a result of phasing the expenditure across a longer period. The new HIP is noted in Appendix 4 and contains the following costs over a 10-year period:
 - £35.7m Stock Condition Survey works
 - £26.6m Climate Emergency works associated with the Council declaring a Climate Emergency
 - £30.0m required for Fire Safety works in line with Fire Risk Assessments resulting from the Grenfell Tragedy.
 - £6.7m Decarbonisation Grant funded works in line with central government partnership schemes

- 2.1.12 In conjunction with the utilisation of borrowing the development projects in the HIP also contains the approved Housing Development and Acquisition Projects which are generally funded from a mix of:
- External Borrowing
 - The HRA Capital Investment Reserve
 - Right to Buy (RTB) receipts from the sale of council houses
 - Homes England Capital Grant
 - Other Grants
 - Capital Receipts from Affordable Homes Shared Ownership sales
- 2.1.13 The Major Repairs Reserve (MRR) is a ring-fenced account for the purpose of maintaining and improving existing housing stock. The HIP also contains the planned spend for the HRA's Capital Major Improvement and Renewal works to the Councils Housing Stock, these works are mainly funded using a mix of:
- The Major Repairs Reserve
 - Capital Grants
- 2.1.14 The works funded using the MRR have been scheduled using separate stock condition surveys which were completed with a specialist housing consultancy, Michael Dyson Associates Ltd. These surveys have provided information in respect of the condition of the main elements, known as stock attributes, of HRA homes. This survey information, complementing information from our in-house team of surveyors, has enabled a comprehensive picture of the current state of, and consequently the future investment needs, of a range of stock attributes such as kitchens, bathrooms, roof coverings, windows, doors and rainwater goods.
- 2.1.15 The surveys undertaken to date allow the Council to fix a baseline position for the entire HRA stock which, in turn, allows for the maintenance needs to be costed for the lifetime of the revised HRA BP. This baseline will continue to be refined in future years through a combination of in-house surveying and data analysis and has been updated to factor in the Climate Change and Fire Safety works. The exiting 2021/22 HIP budget allocation will be directed to meet the most pressing needs, with a full revision of the profile of the future HIP to take place next financial year, to ensure that all the poorest condition attributes are remedied as quickly as possible, and a tailored investment programme is put in place to replace items on a timely basis.
- 2.1.16 The MRR is forecast to have a closing balance of £5.4m at the end of the current financial year. The balance of the MRR is increased annually by the amount of the annual depreciation charge to the HRA stock, which for 2021/22 is an estimated £6.2m. Based on current projections and the large financial strain on the HRA BP to deliver stock condition works, climate change works noted in Appendix 2, the MRR balance is expected to drop as low as £4.9m by 2022/23. It will however remain sufficient to fund the required level of improvements necessary as it will be topped-up using a contribution from the CIR with the balance beginning to increase after this point and by 2029/30, when the HRA should have completed the Climate Change and Fire Safety works, the balance returns to prior year levels of £10.0m.
- 2.1.17 The HRA Housing stock itself is re-valued annually and further confidence in the viability of the HRA BP can be derived from the current valuation noted in Appendix 5 of £411.123m based on the Existing Use Valuation methodology for

social housing or £1.018bn based on an unrestricted use valuation as at 31 March 2021. These valuations are significantly higher than the peak projected total borrowing of £237.3m in 2027/28 resulting from a combination of the £136.2m self-financing debt and additional £101.1m debt resulting from further borrowing to finance housing acquisition schemes. The additional housing acquisition debt is fully serviced from the rents received from the new dwellings.

2.1.18 A number of housing acquisitions, development schemes and land acquisitions have been approved as noted in the HIP at Appendix 4, some of which will be funded using borrowing from the Public Loans Works Board (PWLb) to ensure that sufficient balances remain in the MRR and CIR. There are two material Land Purchases contained within the HIP which are yet to have the development plan approved. It is expected that these sites will warrant separate Cabinet approval with the Housing Strategy and Development Team working on the optimum development plan to ensure that these schemes are financially beneficial to the HRA. The cost of carrying these land acquisitions is one of the negative contributing factors to the HRA BP's reducing CIR and MRR balances up to 2025/26. It is expected that once the sites have been developed the rental income will improve the long-term projections for the HRA BP and is likely to improve the capability to repay more of the Self-Financing Debts. Nevertheless, the short term negative financial impact on the HRA is material and must be noted where large parcels of land are purchased especially when there is a significant time lag between purchase and sales or occupation of homes taking place to generate rental income. Alternative delivery models are also being explored that may enable the land to be developed outside the limited capacity of the HRA BP or in partnership with other entities.

2.1.19 The ongoing construction and acquisition projects for new homes aim to offset the projected reduction in the HRA stock resulting from continuation of Right to Buy sales at current levels. The below table shows the anticipated total stock changes as at 2070/71 including potential additional dwelling acquisitions and developments being explored as part of the Council's ambitious housing development plan:

New Build potential				
Term	Approved New Build Homes	Pre-Approval status Homes	Right to Buy Sales	Net HRA stock reduction
2020/21 to 2070/71	+521*	+1061	-1,734	-152

* Assumes all ongoing and previously approved plans are maintained.

2.1.20 The model above assumes demonstrates that even with the potential 1061 pre-approval status dwellings being included the net HRA stock reduction is still 152 dwellings in deficit. If, however a long-term commitment could be made to acquire a further 40 homes per year on average from years 11-50 in the HRA BP then a further 1600 dwellings would be added to the HRA Housing stock. This would equate to a net HRA stock addition of 1448 dwellings which would negate the Right to Buy losses.

2.1.21 The Council entered the Right to Buy Capital Receipts Pooling arrangement with MCHLG in 2012 in line with HRA Self Financing. As part of the agreement the

Council is only able to retain a predetermined % of the Right to Buy Capital Receipts. The level of an authority's retainable RTB receipts in any year also known as 1-4-1 Capital Receipts is the total amount of its Right to Buy Sales receipts. An exert of the Councils receipts retained in 2020/21 are noted below:

RTB Pooling summary 2020/21	£	%
WDC HRA Transaction Cost	27,300	1
WDC HRA Debt contribution	377,267	16
WDC GF share (any purpose)	405,475	17
WDC Buy Back allowance	38,249	2
WDC 1-4-1 allowance	550,193	23
Treasury share	960,966	41
Cumulative Total Receipt	2,359,450	100

2.1.22 From 1 April 2021 the Ministry of Housing, Communities and Local Government (MHCLG) changed the rules in the Right to Buy (RTB) Pooling Receipts Retention Agreements between the Secretary of State and authorities under section 11(6) of the Local Government Act 2003 to enable them to retain increased RTB receipts and made amendments to the Local Authorities (Capital Finance and Accounting) Regulations 2003 that came into force on 30 June 2021.

A summary of the changes affecting the HRA BP are:

- The timeframe local authorities must spend new and existing Right to Buy receipts before they breach the deadline of having to be returned to Central Government has been extended from 3 years to 5 years on the understanding this will make it easier for local authorities to undertake longer-term planning.
- The percentage cost of a new home that local authorities can fund using Right to Buy receipts was also increased from 30% to 40% to make it easier for authorities to fund replacement homes using Right to Buy receipts, as well as making it easier to build homes for social rent.
- Authorities can use receipts to supply shared ownership and First Homes, as well as housing at affordable and social rent, to help build the types of home most needed in their communities.

2.1.23 The Councils Policy is to spend the 1-4-1 Capital Receipts in line with the new 40% rule within the 5-year deadline on housing acquisition and development schemes as the Pooling rules will allow. Prior to this policy change the Council always managed to meet the deadlines associated with the 3-year rule. Appendix 4 shows that the balance of any remaining receipts in the 5-year cycle will be used to support housing construction/acquisitions within the plan.

2.1.24 There is no such repayment time limit on the councils Buy Back capital receipts, the Council has ensured they are used annually in line with the 50% funding rule to reduce the cost of acquiring former Council Homes.

2.1.25 A number of options will continue to be considered to mitigate the reduction in HRA stock including:

- Acquisition of existing homes
- Acquisition of s106 affordable homes
- Redevelopment of existing HRA homes

- New build on Council owned land, including garage sites
- New build on acquired land
- Joint venture options
- Buy Back of Social Housing

- 2.1.26 The Council was officially been awarded "Affordable Housing Investment Partner" status from Homes England (HE) in 2020 which enables the Council to apply for grant funding. Where available, grant will be sought to support currently approved and potential new housing schemes to lessen the impact on the HRA Business Plan. Appendix 4 shows that to date £4.066m in grant has been approved to support the funding of schemes.
- 2.1.27 Due to this new agreement with HE and to ensure that all future acquisitions remain viable, all future Affordable Housing Acquisitions linked with Homes England will need rents to be set at the national standard of Affordable rents which are 80% of local market rents. Existing Affordable Housing tenants housed in the HRA's current affordable schemes will continue to pay the historic "Warwick Affordable" rents for the remainder of their tenancy which are charged at a mid-point between Local Market Rent and Social Rent to buffer the impact of this change. This policy change was approved in the HRA Rent Setting report in February 2021 and is assumed in the HRA BP projections.
- 2.1.28 As part of the Capital Grant Conditions linked with receiving, HE grants the Council has a new legal responsibility to maintain a Recycled Capital Grant Register in the case that the HRA ever disposes of any land or dwellings which were funded using HE Affordable Homes Grant. In the case of a Right to Buy sale or sale of land the Council must either pay back the capital receipt to HE or recycle it and reinvest it by purchasing a replacement affordable home compliant dwelling. This register will need to be maintained in perpetuity and audited for as long as the dwellings and land are held on the Council's HRA asset register. It is expected that Right to Buy sales to dwellings purchased using HE grant will only start in 7-15 years when the new build dwellings become affordable to tenants with longer RTB discounts.
- 2.1.29 The Council and registered providers can purchase affordable, social rent and shared Ownership dwellings from developers at below market value as they are subsidised by the Homes England Affordable Homes Programme 2020-2024. It is usual for a mix of social, affordable, and shared ownership dwellings to be sold in a preagreed mix. This enables the Council to increase stock numbers by enabling the dwellings to be purchased at below market value to enable the Council's HRA to fund the purchase using the reduced levels of social and affordable rents which must be charged to tenants residing in social and affordable dwellings.
- 2.1.30 When shared ownership dwellings are purchased as part of affordable homes acquisitions the Council's HRA must find buyers to purchase between 10-25% of the dwelling initially and then pay a % of market rent for the remaining % of the dwelling. This initial % purchase in turn generates a capital receipt for the Council's HRA which is retained to cross subsidise the cost of the Council purchasing the dwellings in such schemes. The shared owners are then able to buy a further % of the dwelling known as "staircasing" until they own 100% or a locally capped % of the dwelling in some circumstances. There is no requirement for the owner to purchase latter % shares, Appendix 4 shows that £10.354m is anticipated from shared ownership sales in the 10-year HIP.
- 2.1.31 All shared ownership capital receipts must be retained by the Council's HRA to

ensure the HRA BP remains viable and such receipts are reinvested to reduce acquisition expenditure.

- 2.1.32 The uncertain impact of Covid-19 on rents, bad debt, arrears and reduced RTB Sales has been factored into the HRA BP and assumptions are noted on Appendix 1. The reduction in rental inflation linked to RPI and CPI in the previous year meant that rents did not increase at the levels that were expected. In turn it appears this year the anticipated rent inflation is higher than expected which has levelled out the rental income assumptions.
- 2.1.33 Industry experts Savills have advised the negative impact of the Covid-19 pandemic will be felt for 3-5 years due to fluctuating rent inflation and increased rent arrears due to the economic uncertainty. Appendix 6 shows an analysis of the changes in rent arrears from 2019/20 to 2020/21 using an extract from the Council's Financial Statements. Net arrears have increased by £326k which meant the council had to increase its bad debt provision by £385k in the last financial year. A number of approaches have been adopted to reduce the levels of arrears caused by the Covid-19 pandemic and it is anticipated that this is a temporary increase which will return to pre-pandemic levels in due course as the economy recovers.
- 2.1.34 The HRA BP will continue to be carefully monitored, the stock condition information maintained and improved, and an annual review of the underpinning assumptions undertaken to allow any further revisions to be reported to Cabinet as part of the HRA budget setting process. However, members will note that there is still a considerable level of uncertainty in respect of the financial impact of Covid-19, prudent assumptions have been factored into this model as noted in Appendix 1 but if the economy does not return to pre-pandemic conditions in the next 3-5 years this could impact the BP further and may impact the HRA's ability to provide the same level of Climate Change and Stock Condition works.
- 2.1.35 Linked with recommendation 5 the Council is delivering an ambitious housing development programme with around 1,582 new affordable homes in the pipeline, addressing where able, the Council's environmental and sustainability standards. In addition, a new wholly Council owned Housing Company (Milverton Homes Limited) has been established and this is supporting the development of a major site in the district through a Joint Venture. This is delivering a number of benefits to the Council including 248 new zero-carbon homes and generates c£9m income for the Council over 6 years and c £7.2m for Milverton Homes. The company is working on other key sites across the district that are of particular interest to the Council and is exploring two other joint venture opportunities. As a consequence, the service faces a considerable amount of work particularly over the next 2.5/3 years and requires additional resource support to enable these key workstreams to be progressed. The Head of Housing is currently exploring options for delivering the work programme.

3 Alternative Options available to (name of Committee/Cabinet etc.)

- 3.1 The assumptions underpinning the HRA BP could be left unchanged from those that underpinned the version approved by Cabinet in 2020. This has been rejected as it would result in the BP not reflecting the most up to date policies, strategies, and research on the conditions of the local housing and land markets. The plan would therefore not be able to deliver services in a way that is viable, maintain services and service the debts taken on by the Council.
- 3.2 Members could choose to vary the assumptions within the HRA BP or agree alternative policies, service standards and investment options. If these

alternative options were financially viable and deliverable, the HRA BP could be amended. However, officers consider that, given the uncertainties around what will ultimately emerge into legislation from the Housing and Planning Act, it would be prudent to retain the current assumptions and policy positions that underpin the HRA BP at this stage.

4 Consultation and Member's comments

4.1 None.

5 Implications of the proposal

5.1 Legal/Human Rights Implications

5.2 There are no Human Rights Act implications relating to this Business Plan. Legal implications and the associated financial cost of compliance to national housing standards and Government rent policy have been incorporated into the HRA BP.

5.3 Financial

5.3.1 Effective monitoring and forecasting of expenditure and income is a fundamental part of the proper financial management of the Council, enshrined within the Code of Financial Practice and the monthly Budget Review process.

5.3.2 Under the 'Self Financing' regime the Council took on £136.2m of debt in return for the ability to locally determine decisions on future investment in the housing stock, management services and building the financial capacity to provide new homes. It is essential to project income and expenditure over the full 50-year plan rather than the 5-year period used for the Medium-Term Financial Strategy, although actual investment programmes will continue to be managed and monitored on shorter periods.

5.3.3 A series of informed assumptions underpin the income and expenditure projections and changes to these provide the basis for revisions to the HRA BP. For example, the Council currently owns approximately 5,462 socially rented, affordable rent homes and shared ownership properties as shown in appendix 5. Sale of properties impacts on both income and expenditure – there is a marginal reduction in maintenance and improvement costs, which fluctuate through the plan period, and a more significant one in terms of lost rental income which is fixed throughout the plan period and projected to increase annually. It has been assumed that the number of Right to Buy (RTB) sales will be impacted by Covid-19 and will reduce to 28 units for the next 3-5 years but will then continue as per current levels at approximately 35 units per year. Sale levels are influenced by the discounts available to tenants, the availability of mortgage finance and the prevailing market prices of homes in the district. The maximum RTB discount that can be offered is currently increased by the CPI level from the previous September. In September 2020 this was 0.7%, therefore the maximum discount that can be given from 6th April 2020/21 is £84,790. The level of discount is typically in line with expected increases in market prices of homes in the District. If any of these factors change the assumption will require further review, hence the need for careful and continual monitoring of the HRA BP's underpinning assumptions.

5.3.4 The revised HRA BP set out at Appendix 2 shows that over the 50-year business plan the Council will suffer a net loss of properties through RTB even if the potential new build numbers, referred to in paragraph 2.1.19 and themselves dependent on a range of financial viability considerations and the availability of suitable development sites, are achieved. However, the viability of the HRA BP is not compromised by this potential net reduction in stock levels and, as options

to replace the RTB losses are worked up, there will be a further revision to the BP.

5.3.5 The Major Repairs Reserve (MRR) is used to fund capital repairs of the HRA stock. The contributions to the reserve are based on depreciation calculations.

5.3.6 The HRA Business Plan presents the financial position as at the date reported to Cabinet. The Business Plan includes all pre-approved housing acquisitions and development schemes to date. Reports being presented to February Cabinet in relation to new development schemes and the climate change emergency action plan have been excluded as awaiting approval at the time of writing this report.

5.4 **Council Plan**

5.4.1 **People - Effective Staff** – In line with the recent Housing restructure all staff are properly trained, all staff have the appropriate tools. All staff are engaged, empowered, and supported. The right people are in the right job with the right skills and right behaviours.

5.4.2 **Services - Maintain or Improve Services** - Maintain or Improve Services – The HRA Business plan ensure the model is able to focus on our customers' needs, continuously improve our processes Increase the digital provision of services

5.4.3 **Money - Firm Financial Footing over the Longer Term** -Better return/ use of our assets. Full Cost accounting, continued cost management. Maximized income earning opportunities. Seek best value for money.

5.4.4 That the HRA budgets provide the necessary resources to achieve these outcomes which Enable tenants' needs to be met and support improvement of services relating to Council Housing Stock. Setting sufficient budgets and planning for the future ensures the business plan remains viable to meet service provision

5.4.5 A key element of Fit for the Future is ensuring that the Council achieves the required savings to enable it to set a balanced budget whilst maintaining service provision. The Housing Revenue Account is subject to the same regime to ensure efficiency within the service.

5.5 **Environmental/Climate Change Implications**

5.5.1 None

5.6 **Analysis of the effects on Equality**

5.6.1 None

5.7 **Data Protection**

5.7.1 None

5.8 **Health and Wellbeing**

5.8.1 None

6 **Risk Assessment**

6.1 The HRA BP will continue to be regularly monitored and an annual update provided to Cabinet to ensure the financial model remains robust.

6.2 Universal Credit continues to have a gradual impact as full implementation has not been achieved to date due to central Government delays. The initial deadline for implementation was Autumn 2018. Current feedback from the introduction of Universal Credit nationwide has indicated that the number of

council tenants in arrears has increased, as well as the average level of arrears, in comparison to tenants who do not receive Universal Credit.

- 6.3 The bad debt provision within the HRA BP had been increased to 2% from 2019/20, as set out in Appendix 1, In 2019/20 this was planned to be revised to 1.6% from April 2020/21 however after considering the impact of Covid-19 and local conditions this will remain at 1.8%. This will be assessed regularly.
- 6.4 In respect to future borrowing to facilitate house building as per the October 2018 removal of the HRA Borrowing Cap another risk arose relating to the rate at which the Council is able to borrow and the impact to the associated interest that must be paid alongside the repayment of the loan principal. Traditionally the Public Works Loan Board has been the preferred supplier of HRA loans to Councils. In October 2019 the PWLB very unexpectedly increased its interest rate by 1% from 1.8% to 2.8% which was a very large increase. This would have resulted in increased borrowing costs. As an example, a £12m PWLB loan taken at 1.8% over 40 years would have cost £220,800 a year in interest; the 1% increase added a further £120,000 a year. Over the 40 years of the loan that would be an additional £4.8m. As a rule, each £1m borrowed would have cost an extra £10,000 p.a. in interest. However, the PWLB backtracked on this decision and in March 2020 after realising the negative effect this would have on national housebuilding targets so a 1% reduction to this rate was offered exclusively for HRA borrowing. Considering this quick change of policy there is a risk that this could be changed again considering the current economic climate so will need to be monitored closely.
- 6.5 The interest rate charged by the PWLB fluctuates daily. If borrowing is assessed as the preferred method of funding each scheme will be evaluated on viability including the cost of borrowing and if PWLB rates are deemed to be too high alternative sources of borrowing from other reputable organisations will need to be considered.
- 6.6 The impact of the Covid-19 Pandemic and the impact on Central and Local Government finances is expected to impact the Economy for the next 3-5 years. There are several potential risks for instance regarding the Government's ability to continue to support housing development with grants from Home England and the ability to continue to fund Homelessness initiatives. Central Government's stance on these matters will have to be monitored closely as changes to current arrangements will impact this model negatively.
- 6.7 The UK left the European Union on the 31st January 2020 resulting in a subsequent transition period up to 31st December 2020. Although Brexit is not expected to immediately impact the BP there could be impacting circumstances that could affect the UK construction industry such as delays on imported construction supplies being received and European labour losses may result in higher construction labour costs. As these outcomes are very uncertain all housing development schemes will be re-appraised and checked for viability regularly.

7 Conclusion/Reasons for the Recommendation

- 7.1 It is recommended the review of the Housing Revenue Account Business Plan and Housing Improvement Plan revision are approved to enable the budgets to be revised accordingly.
- 7.2 It is recommended the HRA BP continues to be revised annually

Background papers:

Supporting documents:

- Appendix 1 HRA Business Plan Assumptions
- Appendix 2 HRA Business Plan Projections
- Appendix 3 HRA Business Plan Variances
- Appendix 4 Housing Investment Plan
- Appendix 5 HRA Stock Valuations
- Appendix 6 HRA Rent Arrears and Bad Debts

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	Cabinet – 9 December 2021	
Title of report	Housing Revenue Account Business Plan Review 2021	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		
Portfolio Holder WDC & SDC *	24/11/21	Councillor Jan Matecki
Financial Services WDC *	26/11/21	Victoria Bamber & Andrew Rollins
Legal Services *		
Other Services		
Chief Cabinet(s)	24/11/21	Chris Elliot
Head of Service(s)	26/11/21	Lisa Barker
Section 151 Officer	24/11/21	Mike Snow
Monitoring Officer		
CMT (WDC)	24/11/21	Andy Jones, Chris Elliot
Leadership Co-ordination Group (WDC)	24/11/21	
Other organisations		
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to :Cabinet / CouncilCommittee
Contrary to Policy/Budget framework		No/Yes
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	No
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes	Yes
Accessibility Checked?	Yes	File/Info/Inspect Document/Check Accessibility

Appendix One: Housing Revenue Account Business Plan Assumptions 2021

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
2012 Self Financing Borrowing	50 Year Maturity Loan Interest payment will continue to be facilitated until 2051/52 with a view to the Capital Repayment being re-financed in line with specialist Treasury Advice over a phased period of 2051/52-2061/62 resulting in the £136.2m Self Financing loan capital repayment fully or partially being profiled over a further Period with a view to the debt being fully repaid at a later date. This will be considered and reviewed in the next 30 years	No Change to 2020 Assumptions	A 50 Year Maturity Loan from the PWLB originally resulted in the £136m loan being settled in full by 2061/62. The debt profiling of the current PWLB maturity loan capital repayments in 2051/52-2061/62 was causing severe restrictions on the HRA Business Plan. Specialist Treasury Management Advice has been sought in relation to refinancing this debt to enable more flexibility in the Business Plan and to enable a further level of flexibility in relation to dealing with the unknown financial impacts of Covid-19 and the ability to continue to deliver the construction and purchase of Social and Affordable housing to meet local housing need during this period.
Warwick Affordable Rents	<p>All new Affordable rents to be set at the National Rent Policy Levels of 80% of Market Rents.</p> <p>Existing tenants will not be affected by this change and will continue to pay rents calculated using the "Warwick Affordable Rents" Calculation.</p> <p>Prior to 2020 Affordable rents were set at a Special "Warwick Affordable Rent" which is calculated at a lower rate of affordable rent which is effectively the mid-point between affordable and social rent.</p>	No Change to 2020 Assumptions	<p>The National Rent Policy States Affordable Rents are to be set at 80% of market rents in line with being granted permission from Homes England to become an investment partner</p> <p>Warwick Affordable Rents were historically set at a point where only relatively small levels of stock were given permission from Homes England to charge affordable rents, now that the council has achieved Homes England Investment Partner Status this policy is not deemed effective and reduces the viability of housing construction and acquisition schemes moving forwards.</p>

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
			As this was a change to Rent policy in 2020 this request was included for authorisation in the HRA Rent Setting Report in February 2021 with Existing Tenants paying rents using the Warwick Affordable calculation being able to continue until their tenancy ceases in applicable housing stock.
General Inflation	<p>Inflation for the next year to be set at September 2020 CPI 0.5% +1% = 1.5%</p> <p>Inflation for the following 4 years to be forecast at reduced estimate of September CPI + 1% = 1.5%</p> <p>Inflation estimated over the remaining plan on average to be CPI + 1% = 2% p.a.</p>	<p>Inflation for the next year to be set at September 2021 CPI 3.1% +1% = 4.1%</p> <p>Inflation for the following 4 years to be forecast at reduced estimate of September CPI + 1% = 2%</p> <p>Inflation estimated over the remaining plan on average to be CPI + 1% = 2% p.a.</p>	<p>The economic impact of Covid-19 and Brexit has seen CPI Increase from 0.5 to 3.1 in a 12 month period. This increase is expected to be a result of the fluctuating economic conditions. To ensure Prudence an estimate of future rent increases averaging 2% has been factored into the financial modelling to buffer any impacts of over inflating or negatively impact planned rent increases in line with National Rent Policy.</p> <p>Housing Industry assumptions suggest a fluctuating economic impact with be felt for 5 financial years, in the prior business plan it was anticipated inflation would remain at very low levels and the fundamentals that influence the level of inflation such as fuel and energy prices were expected to put a downward pressure on inflation however we have seen inflation rising and other costs increasing.</p> <p>After this 5-year period the economy is expected to recover and return to similar levels of inflation prior to Covid-19. The impact of Brexit is yet to be quantified.</p>

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
Homes England Grant	<p>The Council is now been awarded Home's England Investment Partner status and is able to bid for Affordable Homes Grant when considering the viability of housing construction and purchase schemes, where deemed viable Homes England Grant will be sought as a preferential means of financing schemes in line with applicable conditions attached.</p> <p>In Prior Business Plans only small or limited schemes have incorporated Homes England Grant subsidy.</p>	No Change to 2020 Assumptions	Homes England are able to now award the Council grant subsidy in the HRA in the form of a recyclable conditional capital grant which contributes to the cost of construction of Social, Affordable and Shared Ownership Housing which ensures the deliverability of much needed housing in the district and increases the viability of the HRA Business Model
Social & Affordable Dwelling Rents	<p>CPI + 1% from 2020/21 onwards.</p> <p>For 2021/22 CPI+1 = 1.5%, based on September 2019 CPI being 0.5%</p> <p>In line with Covid-19 economic conditions, it is estimated that CPI will be an average of about 1% p.a. for a further year following the initial 2021/22 Covid-19 period.</p> <p>From year three onwards it is assumed CPI will then increase to 2% returning to Pre-Covid levels and continue at that level for the remainder of the business plan.</p> <p>All void properties rents will be revised to target social rent.</p>	<p>CPI + 1% from 2021/22 onwards.</p> <p>For 2022/23 CPI+1 = 4.1%, based on September 2019 CPI being 3.1%</p> <p>In line with Covid-19 economic conditions experienced, it is estimated that CPI will be an average of about 2% p.a.</p> <p>From year three onwards it is assumed CPI will then increase to 2% returning to Pre-Covid levels and continue at that level for the remainder of the business plan.</p> <p>All void properties rents will be revised to target social rent.</p>	<p>From April 2020 the Government advised a new rents policy stating rents charged are to increase by CPI + 1% per year based on September CPI for a five-year period.</p> <p>For void properties, the Council is able to set the base rent as the Target Social Rent (also known as Formula Rent).</p> <p>The economic impact of Covid-19 reduced CPI from 1.7% in 2019 September to 0.5% in September 2020 and to 3.1% in September 2021</p> <p>Housing Industry assumptions suggest the negative economic impact will be felt for 3-5 financial years</p> <p>The Previous Rent Policy implemented a 1% rent reduction per year, for four years</p>

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
			which commenced in April 2016. A one-year deferral was introduced for supported housing from the reduction of social rents in England of 1%, allowing the Council to continue to apply a CPI + 1% rent increase in 2016/17. From 2017/18, the rent reduction then applied, with these rents decreasing by 1% a year for 3 years, up to and including 2019/20.
Shared Ownership Dwelling Rents	<p>Shared Ownership Homes rents are inflated by Novembers RPI +0.5% per annum</p> <p>The 2020 RPI in November was 0.9%+ 0.5% totalling 1.4%</p>	<p>RPI as at October 2021 at the time of writing this report is 6.0% so an estimate of 6.0%+0.5% totalling 6.5% is assumed for 2022/23.</p> <p>An average of 2% is assumed for the remainder of the business plan</p>	<p>Shared ownership tenancies will continue to adopt lease agreements based on the existing Housing & Communities Agency (HCA) template lease with rents increased by RPI + 0.5% annually</p> <p>The Impact of the Covid-19 pandemic has seen RPI increase from 0.9%+0.5% in November 2020 to an estimate of 6%+0.5% in November 2021 which is a rapid unexpected increase in such a short period of time.</p> <p>These fluctuations have been averaged out at 2% for the remainder of the business plan to reflect the economy recovering and to ensure prudence.</p>
Garage Rents	<p>Increase of 10% per year for 5 years from 2020/21.</p> <p>CPI + 1% for the remainder of the business plan following this 5 year period. Averaging at 2%</p>	No Change to 2020 Assumptions	<p>Garage rent increases are not governed by national guidance. Any increase that reflects costs of the service, demand, market conditions and the potential for income generation can be considered.</p> <p>In 2020 an Increase of 10% per year for 5 years was approved until 2025/26.</p>

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
			<p>CPI + 1% averaging at 2% is assumed for the remainder of the business plan after 2025</p> <p>Historically 2018/19 incurred an Increase of 5% per year and prior to this an average £4 per garage increase was in place until 2017-18.</p>
Rents Other	Increase by assumed long term CPI of 2% per year for the remainder of the business plan.	No Change to 2020 Assumptions	Within the Housing Revenue Account the Council has a number of shops and etc. which whilst still forming part of its Operational non-current assets are leased out on a commercial basis in order to derive rental income.
Bad Debts as a % of Gross Rents	<p>In 2020/21 Bad debt provision set at 2%</p> <p>2021/22-2025/26 will reduce slightly at 1.8% as the economy starts to recover from Covid-19</p> <p>The remainder of the business plan will reduce to 1.6% in line with pre-Covid-19 economic conditions.</p> <p>The phased introduction of Universal Credit to only new Claimants has not impacted the Bad Debt % as negatively as first anticipated in 2018/19 with a view to assumptions of the continued phasing of the rollout being incorporated in the above assumed percentages</p>	<p>In real terms 2020/21 Bad Debts written off cost £350,736 against a total HRA income of £27,070,606 excluding non-rental income which equates to a 1.3% Bad Debt cost.</p> <p>For prudence and in light of current economic instability a 1.8% provision will be estimated for 2022/23.</p> <p>The remainder of the business plan will reduce to 1.6% in line with pre-Covid-19 economic conditions.</p> <p>The phased introduction of Universal Credit to only new Claimants has not impacted the Bad Debt % as negatively as first anticipated in 2018/19 with a view to assumptions</p>	<p>In light of Covid-19 Housing Industry Experts are expecting Bad debts to Increase initially in year 1 which was not the case in real terms. Arrears did increase but bad debts being written off did not significantly increase.</p> <p>However the current economic instability must be treated with caution so a prudent estimate of 1.8% is adopted and then return to pre-covid-19 levels</p> <p>Prior to Covid-19 the Government began to introduce Universal Credit across the county in 2015 with huge delays of roll out to all claimant-types, further delays are expected with full roll out not being complete until at least 2023/24. This Central Government Policy Change was implemented with a view to a culture change with all tenants taking</p>

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
		of the continued phasing of the rollout being incorporated in the above assumed percentages	<p>responsibility for managing budgets and making rent payments.</p> <p>The ideology was that tenants on housing benefit would transfer directly onto Universal Credit being paid directly to the tenant rather than the landlord, Landlords were expected to support tenants to manage the change, however a number of tenant groups are not able to be paid Universal Credit due to Central Government Technology limitations and remain on Housing Benefits.</p> <p>Initially it was expected that this change to Universal Credit would increase the level of bad debts significantly but the phasing of this roll out seems to have negated this assumption.</p>
Void Rent Loss as a % of Gross Rents	0.7%. for housing rents. 15% for garage rents.	0.7%. for housing rents. 26% for garage rents.	<p>Housing voids of 0.7% are driven by the need to repair and maintain stock in between tenancies, and an increased focus on ensuring tenants are in the most suitable housing stock.</p> <p>As per the February 2021 Rent Setting Report approximately 26% of garage stock has been vacant which is an increase on previous estimates.</p> <p>Housing Voids have not been negatively affected by the impact of Covid-19 so this assumption will not change</p>
No. of Garages Demolished	42 Garages were demolished in 2017/18. It is currently assumed	No Change to 2020 Assumptions	Garage sites are regularly reviewed to assess, where appropriate, sites to be considered for future redevelopment and

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
	no further garages will be demolished in the Business Plan		parking needs. A review is currently being undertaken and developments will be presented to Cabinet for approval.
Management Costs	<p>No changes to overall structure agreed at Budget Setting. Costs to increase by CPI +1%.</p> <p>When homes sold, assume no saving in management costs.</p>	<p>No changes assumed to business plan other than Salary inflation.</p> <p>Other changes will be fed into Budget Setting.</p> <p>Costs to increase by CPI +1%.</p> <p>When homes sold, assume no saving in management costs.</p> <p>When new dwellings are adopted increase management costs in line with average costs per dwelling</p>	Staffing costs for future years will be updated on an annual basis as changes become apparent including salary inflation estimates.
Revenue Repairs & Maintenance Costs	Annual costs increase of CPI + 1% assumed + additional 0.5% to take account of changes in building materials cost. When homes sold, save 100% of average unit repairs cost.	<p>Annual costs increase of CPI + 1% assumed + additional 0.5% to take account of changes in building materials cost.</p> <p>When dwellings sold, save 100% of average unit repairs cost.</p> <p>When new dwellings are adopted increase using average costs per unit.</p>	<p>Moving to Schedule of Rates and prices will increase in line with RPI plus a percentage to reflect the increase in the costs of building materials.</p> <p>Dwellings lost through Right to buy sales and acquisitions of Social, affordable, and shared ownership dwellings will be adjusted for.</p>

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
Capital Maintenance Costs	In line with previous business plan and annual costs increases assumed at CPI + 1%.	<p>A new 10-year Housing Improvement Plan is in place assessing each of the 10 years independently in line with Stock Condition Survey, Climate Emergency Works and Fire Safety works alongside Grant funded works</p> <p>After this 10-year period annual costs increases assumed at CPI + 1%.</p>	<p>Specialist Capital works such as Fire Safety and Climate Change works are accounted for separately in the business plan using an updated 10-year Housing Investment Plan.</p> <p>Dwellings lost through Right to buy sales and acquisitions of Social, affordable, and shared ownership dwellings will be adjusted for.</p>
No. of Right-To-Buy Sales	350 in Years 1-10 then a further 1,471, over remaining 41 years. No account is taken of the potential need to sell high value properties to pay the proposed Government levies as this legislation is no longer applicable.	1,734 total RTB sales are estimated over the full 50-year business plan.	<p>Right to Buy sales have reduced in the Covid-19 economic period with only 26 units being sold in 2019/20 and 21 in 2020/21</p> <p>A reduction to 28 units will be assumed in the next 5 years returning to pre-Covid levels of 35 sales per year after this for the remainder of the business plan.</p> <p>In the 2018 business plan review an average of 35 being sold in 2017/18 and 25 in 2018/19.</p>
Income from RTB sales reserved for 1-4-1 replacement	£1.4m in 20-21 RTB receipts.	<p>£1.0m in 21-22 RTB receipts and for 2022/23</p> <p>Assume an increase to pre-pandemic levels of sales and increase to £1.4m for the remainder of the BP</p>	<p>The Council entered the Right to Buy Capital Receipts Pooling arrangement with MCHLG in 2012 in line with HRA Self Financing. As part of the agreement the Council is only able to retain a predetermined % of the Right to Buy Capital Receipts.</p> <p>The reduction in RTB Sales during the pandemic has resulted in a reduction in the sales receipts retained to support 1-4-1 replacement of sold homes.</p>

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
			<p>From 1 April 2021 (MHCLG) changed the rules in the Right to Buy (RTB) Pooling Receipts Retention Agreements. A summary of the changes affecting the HRA BP are:</p> <ul style="list-style-type: none"> • The timeframe to spend increased from 3 years to 5 years. • The percentage to fund new homes increased from 30% to 40% • Authorities can use receipts for ownership and First Homes, affordable and social rent,
Income from RTB sales available for any purpose	£0	£0	<p>Assume council continues current policy of using such receipts to support General Fund Capital Financing in line with the Right to Buy Receipts Pool Legislation</p> <p>Local authority share - calculated to approximate to what authorities General Fund would have retained had the pre-2012 pooling system continued when they retained 25% of all net RTB receipts.</p>
New Homes - Rents	A mix of Warwick Affordable, Social Rent, Shared Ownership.	A mix of Warwick Affordable, National Affordable, Social Rent and Shared Ownership.	<p>New properties will be let as specified in the mix at the time of acquisition or as per the Section 106 specification.</p> <p>A mix of Social Rent, Shared Ownership, and National Affordable and Warwick Affordable Rent will be applicable.</p> <p>Warwick affordable rents are set mid-way between Target Rent and National</p>

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
			Affordable rent (80% of market rent) however National levels of Affordable Rents were adopted on new Affordable Housing Stock from 2020 onwards.
Interest Rate on HRA Balances	0.7% over the life of the BP.	0.7% over the life of the BP.	Income from Interest generated from HRA Balances This is the current forecast for 2020/21 so therefore used as an average over the remaining years of the BP.
Interest Rate on HRA Debt	Actual rates for current debt (average 3.5%)	Actual rates for current debt (average 3.5%)	This is a fixed rate of interest on the HRA Self Financing debt over the life of the loan. Authorisation to refinance the repayment of the loan was ascertained in 2020 but the original loan agreement states the loan is due to be repaid in phases over a 10 year period annually from 2051/52 to 2061/62.
PWLB Borrowing Rates	Average of 1.8%	Actual % rate secured for borrowing Average of 1.8% estimate for future borrowing not yet secured	The Covid-19 pandemic has seen Borrowing rates for the HRA in 2020-2021 drop as low as 0.6% and increase up to 2% after applying the -1% Housing reduction and -0.2% certainty rate reduction. Due to the economic instability and fluctuating rates and the need for high levels of Government borrowing a worst case scenario is adopted for modelling purposes. As at the time of writing this report a 40 year PWLB annuity loan rate is 2.18%, after applying the -1% Housing and -0.2% certainty discounts the % rate equates to

Assumption	2020 Business Plan	2021 Business Plan	Explanatory Notes
			<p>0.98% so is still under 1% when borrowing for Housing Land and Housing Buildings but this rate does change on a daily basis</p> <p>For modelling purposes an average of 1.8% PWLB borrowing rate should mitigate any further fluctuations and give a good, estimated average for the length of the business plan when rates begin to increase upon the recovery of the economy.</p> <p>Where new borrowing has already been secured for acquisition and developments the actual PWLB Rate secured on that borrowing is included in the business plan.</p> <p>Any future borrowing for future approved schemes will be estimated at 1.8%</p> <p>In October 2019 the Public Works Loan Board increased its interest rate by 1% which was a very large and unexpected increase but shortly after this a U Turn to this policy was adopted where the borrowing was linked with Housing related operations.</p>
Depreciation	75 Years	75 Years	The depreciation policy for the life of the Housing Stock will be changed from 50 years to 75 years on 2019 as per consultation from property valuation experts Carter Jonas.

Appendix Two : HRA Business Plan Projections 2020/21-2070/71 (£m)

Year	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40
Projected Net Revenue Expenditure																				
Housing Rent	-25.6	-26.1	-27.7	-28.5	-29.2	-29.9	-30.6	-31.3	-31.8	-32.3	-32.8	-33.3	-33.7	-34.2	-34.7	-35.2	-35.7	-36.2	-36.7	-37.3
Void Losses	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3
Service Charges	-0.5	-0.7	-0.8	-0.9	-0.9	-0.9	-1.0	-1.0	-1.0	-1.0	-1.0	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.2	-1.2	-1.2
Non-Dwelling Income	-1.1	-1.1	-1.3	-1.4	-1.5	-1.5	-1.5	-1.6	-1.6	-1.6	-1.6	-1.7	-1.7	-1.7	-1.8	-1.8	-1.8	-1.9	-1.9	-1.9
Grants & Other Income	-0.3	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Total Income	-27.3	-27.8	-29.6	-30.6	-31.4	-32.2	-32.9	-33.7	-34.3	-34.8	-35.3	-35.8	-36.3	-36.9	-37.4	-37.9	-38.5	-39.0	-39.6	-40.2
Premises	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.7
Supplies and Services	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Third Party Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support Services (Staffing)	5.0	6.1	6.2	6.4	6.5	6.6	6.7	6.9	7.0	7.2	7.3	7.4	7.6	7.7	7.9	8.1	8.2	8.4	8.5	8.7
Capital Charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	5.9	6.2	6.3	6.5	6.6	6.7	6.9	7.0	7.1	7.3	7.4	7.6	7.7	7.9	8.0	8.2	8.4	8.5	8.7	8.9
Bad Debt Provision	0.4	0.4	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Responsive & Cyclical Repairs	5.3	6.5	6.7	6.9	7.2	7.4	7.6	7.8	8.1	8.4	8.7	8.9	9.0	9.2	9.4	9.6	9.8	10.0	10.2	10.4
Total Revenue Expenditure	17.7	20.4	21.1	21.6	22.1	22.6	23.1	23.6	24.3	24.9	25.5	26.0	26.5	27.0	27.6	28.1	28.7	29.3	29.9	30.5
Finance Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Borrowing Interest Paid	0.9	2.0	2.4	2.7	3.0	3.3	3.6	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Interest Received	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Other Appropriations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Operating Income	-9.0	-5.7	-6.4	-6.6	-6.6	-6.5	-6.4	-6.3	-6.3	-6.2	-6.1	-6.1	-6.1	-6.1	-6.2	-6.2	-6.2	-6.1	-6.1	-6.1
Pension IAS 19 /Other HRA adj	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Self Financing Debt Interest Paid	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Other Appropriations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution to / from reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Contribution to Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution to HRA CIR	4.4	1.2	2.0	2.1	2.2	2.1	2.0	1.9	1.9	1.8	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8
Total Appropriations	9.0	5.6	6.4	6.6	6.6	6.5	6.4	6.3	6.3	6.2	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Net Revenue Exp/(Income)	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
HRA Balances & Reserves																				
HRA Closing Balance	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.9	1.9	1.9	2.0	2.0	2.0	2.1	2.1
CIR Closing Balance	28.5	23.1	22.1	21.9	21.6	21.4	21.0	20.5	20.0	19.4	18.7	19.9	21.1	22.4	23.6	24.9	26.2	27.5	28.7	30.0
MRR Closing Balance	6.0	5.4	4.9	5.4	6.0	6.7	7.6	8.6	9.2	10.0	10.9	11.6	12.3	13.0	13.7	14.5	15.2	16.0	16.7	17.5
RTB 1-4-1 Closing Balance	0.2	0.5	1.1	1.8	2.8	0.0	1.0	1.9	2.9	2.9	3.0	0.0	0.1	0.1	0.2	0.2	0.3	0.0	0.1	0.1
Total HRA Balances & Reserves	36.2	30.6	29.7	30.7	32.1	29.8	31.2	32.7	33.8	34.0	34.4	33.3	35.4	37.4	39.5	41.6	43.7	45.5	47.6	49.7
Reserves available for Repayment of Self Financing Debt	34.5	28.5	27.1	27.3	27.7	28.1	28.6	29.1	29.2	29.4	29.6	31.5	33.4	35.4	37.4	39.4	41.4	43.4	45.5	47.5
Projected Capital Expenditure																				
Construction/Acquisition of Homes	26.6	45.3	11.3	9.5	9.5	9.5	9.5	9.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Capital Maintenance & Improvement	6.5	14.2	13.2	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	7.0	7.1	7.3	7.4	7.6	7.7	7.9	8.0	8.2
Total Capital Expenditure	33.1	59.5	24.5	18.5	18.5	18.5	18.5	18.5	9.5	9.5	9.5	7.5	7.6	7.8	7.9	8.1	8.2	8.4	8.5	8.7
Projected Borrowing																				
Borrowing b/f	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2
Self Financing Loans Repaid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self Financing Borrowing c/f	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2
New Borrowing	25.0	57.9	65.9	73.8	81.4	88.9	96.2	103.3	101.1	99.0	96.8	94.5	92.3	89.9	87.6	85.2	82.7	80.3	77.7	75.2
New Borrowing Fully Repaid 2066/67	-0.4	-1.0	-1.2	-1.4	-1.6	-1.7	-1.9	-2.1	-2.2	-2.2	-2.2	-2.3	-2.3	-2.4	-2.4	-2.4	-2.5	-2.5	-2.6	-2.6
New Borrowing c/f	24.6	56.9	64.7	72.4	79.8	87.1	94.2	101.1	99.0	96.8	94.5	92.3	89.9	87.6	85.2	82.7	80.3	77.7	75.2	72.5
Total Borrowing c/f	160.8	193.1	200.9	208.6	216.0	223.3	230.4	237.3	235.2	233.0	230.7	228.5	226.1	223.8	221.4	218.9	216.5	213.9	211.4	208.7

2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	2047.48	2048.49	2049.50	2050.51	2051.52	2052.53	2053.54	2054.55	2055.56	2056.57	2057.58	2058.59	2059.60	2060.61	2061.62	2062.63	2063.64
-37.8	-38.3	-38.8	-39.4	-39.9	-40.5	-41.0	-41.6	-42.2	-42.8	-43.3	-43.9	-44.5	-45.1	-45.7	-46.4	-47.0	-47.6	-48.2	-48.9	-49.5	-50.2	-50.8	-51.5
0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.3	-1.3	-1.4	-1.4	-1.4	-1.4	-1.4	-1.5	-1.5	-1.5	-1.5	-1.6	-1.6	-1.6	-1.6	-1.7	-1.7	-1.7
-2.0	-2.0	-2.0	-2.1	-2.1	-2.1	-2.2	-2.2	-2.3	-2.3	-2.3	-2.4	-2.4	-2.5	-2.5	-2.6	-2.6	-2.7	-2.7	-2.8	-2.8	-2.9	-2.9	-3.0
-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
-40.8	-41.3	-41.9	-42.5	-43.1	-43.7	-44.3	-45.0	-45.6	-46.2	-46.9	-47.5	-48.2	-48.8	-49.5	-50.2	-50.9	-51.6	-52.3	-53.0	-53.7	-54.4	-55.1	-55.9
1.7	1.8	1.8	1.8	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.7	2.7
0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8.9	9.1	9.3	9.4	9.6	9.8	10.0	10.2	10.4	10.6	10.8	11.1	11.3	11.5	11.7	12.0	12.2	12.5	12.7	13.0	13.2	13.5	13.7	14.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.0	9.2	9.4	9.6	9.8	10.0	10.2	10.4	10.6	10.8	11.0	11.2	11.5	11.7	11.9	12.2	12.4	12.7	12.9	13.2	13.4	13.7	14.0	14.3
0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9
10.7	10.9	11.1	11.3	11.6	11.8	12.1	12.3	12.6	12.8	13.1	13.4	13.7	13.9	14.2	14.5	14.8	15.1	15.4	15.8	16.1	16.4	16.8	17.1
31.1	31.7	32.3	33.0	33.7	34.3	35.0	35.7	36.5	37.2	37.9	38.7	39.5	40.3	41.1	41.9	42.8	43.6	44.5	45.4	46.3	47.3	48.2	49.2
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.1	1.9	1.6	1.3
-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-6.1	-6.1	-6.0	-6.0	-5.9	-5.9	-5.8	-5.7	-5.7	-5.6	-5.5	-5.4	-5.2	-5.1	-5.0	-4.8	-4.7	-4.5	-4.3	-4.1	-4.8	-5.8	-5.9	-6.0
-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.7
4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.7	1.7	1.7	1.7	1.6	1.6	1.5	1.5	1.4	1.3	1.2	1.1	1.0	0.9	0.8	0.7	0.5	0.4	0.2	0.0	0.7	1.6	1.8	1.9
6.1	6.0	6.0	5.9	5.9	5.8	5.8	5.7	5.6	5.5	5.4	5.3	5.2	5.1	5.0	4.8	4.7	4.5	4.3	4.1	4.8	5.7	5.8	5.9
-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
2.1	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.7	2.7	2.7	2.8	2.8	2.8
31.2	32.4	33.6	34.8	35.9	37.0	38.0	39.0	39.8	40.7	41.4	42.0	42.5	42.9	43.2	43.4	43.4	43.2	42.9	42.4	42.6	43.7	45.0	46.4
18.3	19.1	20.0	20.8	21.7	22.5	23.4	24.3	25.2	26.2	27.1	28.1	29.0	30.0	31.1	32.1	33.1	34.2	35.3	36.4	37.5	38.7	39.8	41.0
0.2	0.2	0.3	0.0	0.1	0.1	0.2	0.2	0.3	0.0	0.1	0.1	0.2	0.3	0.3	0.0	0.1	0.1	0.2	0.3	0.3	0.0	0.1	0.1
51.8	54.0	56.1	57.8	59.9	61.9	63.9	65.8	67.7	69.2	71.0	72.6	74.2	75.7	77.1	78.0	79.2	80.2	81.1	81.8	83.2	85.2	87.7	90.4
49.6	51.6	53.6	55.6	57.6	59.5	61.4	63.3	65.1	66.8	68.5	70.1	71.6	73.0	74.3	75.5	76.5	77.4	78.2	78.8	80.1	82.4	84.8	87.4
0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
8.4	8.5	8.7	8.9	9.1	9.2	9.4	9.6	9.8	10.0	10.2	10.4	10.6	10.8	11.0	11.3	11.5	11.7	11.9	12.2	12.4	12.7	12.9	13.2
8.9	9.0	9.2	9.4	9.6	9.7	9.9	10.1	10.3	10.5	10.7	10.9	11.1	11.3	11.5	11.8	12.0	12.2	12.4	12.7	12.9	13.2	13.4	13.7
136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2	136.2
72.5	69.9	67.2	64.4	61.6	58.7	55.8	52.9	49.9	46.8	43.7	40.5	37.3	34.0	30.6	27.2	23.8	20.3	16.7	13.0	9.3	6.4	4.6	3.1
-2.7	-2.7	-2.8	-2.8	-2.9	-2.9	-3.0	-3.0	-3.1	-3.1	-3.2	-3.2	-3.3	-3.3	-3.4	-3.5	-3.5	-3.6	-3.6	-3.7	-2.9	-1.8	-1.5	-1.2
69.9	67.2	64.4	61.6	58.7	55.8	52.9	49.9	46.8	43.7	40.5	37.3	34.0	30.6	27.2	23.8	20.3	16.7	13.0	9.3	6.4	4.6	3.1	1.9
206.1	203.4	200.6	197.8	194.9	192.0	189.1	186.1	183.0	179.9	176.7	173.5	170.2	166.8	163.4	160.0	156.5	152.9	149.2	145.5	142.6	140.8	139.3	138.1

2064.65	2065.66	2066.67	2067.68	2068.69	2069.70	2070.71
-52.2	-52.8	-53.5	-54.2	-54.9	-55.6	-56.3
0.4	0.4	0.4	0.4	0.4	0.4	0.4
-1.7	-1.8	-1.8	-1.8	-1.8	-1.9	-1.9
-3.0	-3.1	-3.1	-3.2	-3.2	-3.3	-3.4
-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
-56.6	-57.4	-58.1	-58.9	-59.7	-60.5	-61.3
2.8	2.8	2.9	2.9	3.0	3.0	3.1
0.2	0.2	0.2	0.2	0.2	0.2	0.2
0.0	0.0	0.0	0.0	0.0	0.0	0.0
14.3	14.6	14.9	15.2	15.5	15.8	16.1
0.0	0.0	0.0	0.0	0.0	0.0	0.0
14.5	14.8	15.1	15.4	15.7	16.1	16.4
0.9	0.9	0.9	0.9	1.0	1.0	1.0
17.5	17.8	18.2	18.6	19.0	19.4	19.8
50.2	51.2	52.2	53.3	54.3	55.4	56.6
0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.0	0.6	0.3	0.0	0.0	0.0	0.0
-0.6	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7
0.0	0.0	0.0	0.0	0.0	0.0	0.0
-6.1	-6.1	-6.2	-6.2	-6.0	-5.7	-5.4
-0.7	-0.7	-0.8	-0.8	-0.8	-0.8	-0.8
4.8	4.8	4.8	4.8	4.8	4.8	4.8
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.0	2.1	2.2	2.2	2.0	1.7	1.4
6.0	6.1	6.2	6.2	5.9	5.6	5.3
-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
2.9	2.9	2.9	2.9	3.0	3.0	3.0
47.9	49.5	51.1	52.8	54.3	55.5	56.4
42.2	43.5	44.7	46.0	47.3	48.6	50.0
0.2	0.3	0.4	0.0	0.1	0.2	0.3
93.2	96.1	99.1	101.8	104.7	107.3	109.7
90.1	92.9	95.8	98.8	101.6	104.1	106.3
0.5	0.5	0.5	0.5	0.5	0.5	0.5
13.5	13.7	14.0	14.3	14.6	14.9	15.2
14.0	14.2	14.5	14.8	15.1	15.4	15.7
136.2	136.2	136.2	136.2	136.2	136.2	136.2
0.0	0.0	0.0	0.0	0.0	0.0	0.0
136.2	136.2	136.2	136.2	136.2	136.2	136.2
1.9	0.9	0.3	0.0	0.0	0.0	0.0
-0.9	-0.6	-0.3	0.0	0.0	0.0	0.0
0.9	0.3	0.0	0.0	0.0	0.0	0.0
137.2	136.6	136.2	136.2	136.2	136.2	136.2

Appendix Three : HRA Business Plan Projections 2021/22 - Variance Analysis(£m)

Projected Net Revenue Expenditure

Year	2020/21	2021/22	Variance	Comments for Variances of Interest and of +/- £0.5m
	£m	£m	£m	
Housing Rent	-25.6	-26.1	-0.5	Rent Increase in line with National Rent Policy
Void Losses	0.2	0.2	0.0	
Service Charges	-0.5	-0.7	-0.2	
Non-Dwelling Income	-1.1	-1.1	-0.1	
Grants & Other Income	-0.3	-0.0	0.2	
Total Income	-27.3	-27.8		
Premises	1.1	1.2	0.1	Staff Restructure and Salary Inflation plus extra resource for recommendation 5
Supplies and Services	0.0	0.1	0.1	
Third Party Payments	0.0	0.0	0.0	
Support Services (Staffing)	5.0	6.1	1.1	
Capital Charges	0.0	0.0	0.0	
Depreciation	5.9	6.2	0.3	
Bad Debt Provision	0.4	0.4	0.0	
Responsive & Cyclical Repairs	5.3	6.5	1.1	Extra Fire Safety Works for 2020/21 & 2021/22 and Contract Inflation
Total Revenue Expenditure	17.7	20.4		
Finance Administration	0.0	0.0	0.0	New Development Loan Interest Paid
New Borrowing Interest Paid	0.9	2.0	1.2	
Interest Received	-0.2	-0.3	-0.1	
Other Appropriations	0.0	0.0	0.0	
Net Operating Income	-9.0	-5.7		
IAS 19 /Other HRA Reserve Adj	-0.2	-0.3	-0.1	Increased Revenue Expenditure reduces contribution to HRA CIR, Some delayed works from Covid in 2020/21 transferred to 2021/2022
Self Financing Debt Interest Paid	4.8	4.8	0.0	
Other Appropriations	0.0	0.0	0.0	
Contribution to / from reserves	0.0	0.0	0.0	
Revenue Contribution to Capital Outlay	0.0	0.0	0.0	
Contribution to HRA CIR	4.4	1.2	-3.2	
Total Appropriations	9.0	5.6		
Net Revenue Exp/(Income)	-0.0	-0.0		
HRA Balance & Reserves				
HRA Closing Balance	1.5	1.5	0.0	Balance Reduced as CIR is utilised to fund Construction and Acquisition and cross fund MRR due to Fire Safety and Climate Change Works
CIR Closing Balance	28.5	23.1	-5.4	
MRR Closing Balance	6.0	5.4	-0.6	
RTB 1-4-1 Closing Balance	0.2	0.5	0.4	Time Limited Receipts have been used in full in 2019/20 as planned and are slowly increasing
	36.2	30.6		
Projected Capital Expenditure				
Construction/Acquisition of Homes	26.6	45.3	18.7	Increased Construction and Acquisition of Housing
Capital Maintenance & Improvement	6.5	14.2	7.7	Increased Planned Maintenance as per the HIP including Fire Prevention Works
Total Capital Expenditure	33.1	59.5		
Projected Borrowing				
Borrowing b/f	136.2	136.2	0.0	Existing Self Financing Maturity Loan
Self Financing Loans Repaid	0.0	0.0	0.0	Existing Loan Repayments Due 2061/62 or to be refinanced
Self Financing Borrowing c/f	136.2	136.2		
New Borrowing	25.0	57.9	32.9	New Annuity Loan borrowing for construction and acquisition of Land and Housing
New Borrowing Loans Repaid	-0.4	-1.0	-0.6	New Annuity Loan Repayments
New Borrowing c/f	24.6	56.9		
Total Borrowing c/f	160.8	193.1		

Housing Investment Programme (HIP) 2020/21 to 2030/31

Activity Description	Actual Spent	Budgeted Spending Plan										
Construction / Acquisition of Housing:	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Repurchase of Ex-Council Housing	514.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	5,000.0
Purchase of Property	542.8	5.0										5.0
Purchase of property	3,211.3	1,116.2										1,116.2
Refurbishment	99.0		1,785.6									1,785.6
Purchase of land	10,903.9	0.0										0.0
Development	4,325.5	7,054.5										7,054.5
Purchase of Land	449.0	1,419.0										1,419.0
Development	-	4,989.8										4,989.8
Purchase of property	2.0	7,085.8										7,085.8
Purchase of Land	6,559.8	18,350.0										18,350.0
Purchase of property	1.0											0.0
Purchase of property	0.0	3,269.2										3,269.2
Development	0.0	1,554.0										1,554.0
Purchase of property	0.0			9,033.3	9,033.3	9,033.3	9,033.3	9,033.3				54,200.0
Total Construction / Acquisition of Housing	26,608.2	45,343.5	11,319.0	9,533.3	9,533.3	9,533.3	9,533.3	9,533.3	500.0	500.0	500.0	105,829.1
Improvement / Renewal Works:	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Stock Condition Survey Works:												
Aids & Adaptations	154.9	1,183.4	647.1	647.1	647.1	647.1	647.1	647.1	647.1	647.1	647.1	7,007.3
Defective Flooring	0.0	61.7	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	595.4
Door Entry/Security/Safety Systems	191.5	156.1	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	1,506.1
Kitchen & Bathroom Fittings / Sanitaryware Replacement	600.7	1,933.8	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	12,958.8
Electrical Fittings / Rewiring	472.9	637.3	612.4	612.4	612.4	612.4	612.4	612.4	612.4	612.4	612.4	6,148.9
Water Services	0.0	9.5	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	91.4
Structural Improvements	102.1	250.0	250.0	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	657.6
Improved Ventilation	3.3	35.0	35.0	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	107.6
Major Garage Works	7.5	25.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	247.0
Codependant Asbestos Removal	11.9	205.7	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	2,005.7
Special capital works - Lift Replacement	0.4	0.0	300	150	150	150	150	150	150	150	150	1,500.0
Capital Salaries for Improvement / Renewal Works			291.8	303.6	309.7	315.9	322.2	328.6	335.2	341.9	348.8	2,897.7
Total Stock Condition Survey Works	1,545.2	4,498.1	3,804.3	3,405.5	3,411.6	3,417.8	3,424.1	3,430.5	3,437.1	3,443.8	3,450.7	35,723.5
Climate Change Works:												
Environmental - Roof Coverings	935.8	970.4	925.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0	6,095.4
Environmental - Window/Door Replacement	369.7	742.9	535.0	535.0	535.0	535.0	535.0	535.0	535.0	535.0	535.0	5,557.9
Environmental Central Heating Replacement	872.0	1,290.2	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	12,448.4
Thermal Improvement Works	1.8	162.4	141.3	141.3	141.3	141.3	141.3	141.3	141.3	141.3	141.3	1,434.1
Environmental Works	15.2	78.1	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	753.1
Environmental Works: Tenant Participation Projects	0.6	39.2	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	378.5
Total Climate Change Works	2,195.0	3,283.2	2,953.8	2,553.8	2,553.8	2,553.8	2,553.8	2,553.8	2,553.8	2,553.8	2,553.8	26,667.4
Fire Safety Works:												
Fire safety in High-rise / Sheltered / General Needs	2,786.2	3,024.8	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	30,024.8
Total Fire Safety Works	2,786.2	3,024.8	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	30,024.8
Decarbonisation Grant Works												
Social Housing Decarbonisation Grant - BEIS		2,983.4										2,983.4
LAD 18 BEIS - Green Homes Grant		400.0										400.0
LAD 2 BEIS - Green Homes Grant - Midlands Energy Hub			1,250.4									1,250.4
LAD 3 BEIS - Sustainable Warmth Grant - On Gas Delivery			2,162.0									2,162.0
Total Grant Funded Works	0.0	3,383.4	3,412.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6,795.8
Total Improvement/Renewal Works	6,526.4	14,189.5	13,170.5	8,959.3	8,965.4	8,971.6	8,977.9	8,984.3	8,990.9	8,997.6	9,004.5	99,211.5
Total Housing Investment Programme Expenditure	33,134.6	59,533.0	24,489.5	18,492.6	18,498.7	18,504.9	18,511.2	18,517.7	9,490.9	9,497.6	9,504.5	205,040.7

Housing Investment Programme (HIP) Financing:	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Capital receipts: Buy Back	50.0	50.0	50.0	50	50	50.0	50.0	50.0	50.0	50.0	50.0	500.0
Capital Receipts: One for One replacement	369.8	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	4,500.0
HRA Capital Investment Reserve	1,186.0	6,558.4	2,947.0	2,377.5	2,377.5	2,377.5	2,377.5	2,377.5	2,377.5	2,377.5	2,377.5	28,525.4
Major Repairs Reserve	6,526.4	6,806.1	6,780.6	5,981.8	5,987.9	5,994.1	6,000.4	6,006.8	6,490.9	6,497.6	6,504.5	63,050.7
Housing Revenue Account (RCCO)	0.0	122.5	122.5	122.5	122.5	122.5	122.5	122.5	122.5	122.5	122.5	1,225.0
S 106 Affordable Housing Contributions		349.9										349.9
Decent Homes Grant		361.6										361.6
Shared Ownership Sales Capital Receipts		5,769.8	2,197.5	477.5	477.5	477.5	477.5	477.5				10,354.8
Homes England Affordable Homes Grant		4,066.5										4,066.5
Social Housing Decarbonisation Grant - BEIS		1,351.0										1,351.0
LAD 18 BEIS - Green Homes Grant		268.0										268.0
LAD 2 BEIS - Green Homes Grant - Midlands Energy Hub			796.5									796.5
LAD 3 BEIS - Sustainable Warmth Grant - On Gas Delivery			2,112.0									2,112.0
HRA Additional Borrowing	25,002.4	33,379.2	9,033.3	9,033.3	9,033.3	9,033.3	9,033.3	9,033.3	0.0	0.0	0.0	87,579.2
Housing Revenue Account Related HIP Financing	33,134.6	59,533.0	24,489.4	18,492.6	18,498.7	18,504.9	18,511.2	18,517.7	9,490.9	9,497.6	9,504.5	205,040.6

Estimated Housing Investment Programme Resources after Financing:-	31/3/2020	31/3/2021	31/3/2022	31/3/2023	31/3/2024	31/3/2025	31/3/2026	31/3/2027	31/3/2028	31/3/2029	31/3/2030
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Capital Receipts: One for One replacement	0.0	168.6	518.6	1,068.6	1,818.6	2,768.6	0.0	950.0	1,900.0	2,850.0	3,800.0
HRA Capital Investment Reserve	25,322.2	28,495.5	23,203.1	22,364.1	22,307.6	22,218.1	22,022.6	21,707.1	21,254.6	20,761.1	20,115.6
Major Repairs Reserve	6,500.2	5,994.4	5,394.3	4,943.7	5,418.9	6,017.0	6,740.9	7,592.5	8,574.7	9,212.8	9,986.2
HRA Shared Ownership Capital Receipts	191.2	191.2	2,297.5	477.5	477.5	477.5	477.5	477.5	0.0	0.0	0.0
S 106 Affordable Housing Contributions	406.7	349.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decent Homes Grant	361.6	361.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Homeless Capital Grant											
Homes England Affordable Homes Grant - The Triangle		3,496.5									
Homes England Affordable Homes Grant - Turpin Court		570.0									
Social Housing Decarbonisation Grant - BEIS		1,351.0									
LAD 18 BEIS - Green Homes Grant		268.0									
LAD 2 BEIS - Green Homes Grant - Midlands Energy Hub			453.9								
LAD 3 BEIS - Sustainable Warmth Grant - On Gas Delivery & Private Sector Landlord Contributions			2,112.0								
Total Housing Investment Programme Resources	32,781.8	41,246.7	33,979.5	28,853.9	30,022.6	31,481.2	29,241.0	30,727.1	31,729.3	32,823.9	33,901.7

Appendix 5 - HRA Stock Numbers & Asset Valuations

Stock Numbers - Extract from the Councils 2020/21 Financial Statements

	31 March 2021
	Nos.
Houses	2,383
Flats	2,407
Bungalows	672
Total	5,462

The change in housing stock can be summarised as follows:

	2020/21
	Nos.
Housing Stock at 1 April	5,477
New build	3
Purchases	3
Right to Buy sales	(21)
Housing Stock at 31 March	5,462

Valuation of Dwellings - Extract from the Councils 2020/21 Financial Statements

	31 March 2021
	£000
Vacant Possession Value of Dwellings (Open Market Value)	1,018,132
Balance Sheet Value of Dwellings (Social Housing Value)	(411,123)
(40% of Open Market Value)	
Economic Cost to Government	607,009

31 March 2020
Nos.
2,391
2,414
672
5,477

2019/20
Nos.
5,478
25
(26)
5,477

31 March 2020
£000
996,127
(402,204)
593,924

Appendix 6 - HRA Rent Arrears and Bad Debts

Extracted from the 2020/21 Councils Financial Statements

	2020/21	2019/20
	£000	£000
HRA Rent & Charges Arrears		
Current Tenant Rent Arrears	1,327	1,155
Former Tenant Rent Arrears	576	468
Dwelling Rent Arrears	1,903	1,623
Garage Rent Arrears	30	30
Supporting People Charge Arrears	24	24
Court Cost Arrears	157	157
Overpayment of Benefit Arrears	136	136
Other Arrears	219	153
Total Arrears	2,469	2,123
Prepayments		
Dwelling Rent Prepayments	(422)	(403)
Garage Rent Prepayments	(13)	(12)
Other Prepayments	(5)	(5)
Total Prepayments	(440)	(420)
Net Arrears	2,029	1,703
HRA Bad Debt Provisions		
Rent Bad Debt Provision	(1,780)	(1,430)
Court Cost Bad Debt Provision	(219)	(211)
Total Bad Debt Provisions	(1,999)	(1,641)
Arrears as a proportion of gross rent net of housing benefit	2020/21	2019/20
Current Tenant Rent Arrears	7.04%	7.19%
Net Arrears	10.74%	9.70%

Change
£000
(172)
(108)
(280)
-
-
-
-
(66)
(346)
-
19
1
-
20
(326)
-
350
8
358
-
0.15%
-1.04%

Title: Rural/Urban Capital Improvement Scheme (RUCIS) Application
Lead Officer: Jon Dawson (01926 456204)
Portfolio Holder: Councillor Richard Hales
Wards of the District directly affected: Whitnash, Kenilworth Park Hill,
Warwick Myton and Heathcote, Cubbington and Leek Wootton

Summary

This report provides details of six Rural/Urban Capital Improvement Scheme (RUCIS) grant applications:

- Whitnash Town Council to install a 'measured mile' path at Washbourne playing fields
- Whitnash Windmill Petanque Club to install new fencing and build two gazebos
- Kenilworth Rugby Club to create a new water borehole
- Myton Hospice to resurface their car park
- Baginton Parish Council to install new playground equipment
- London & North Western Railway Society (LNWRS) to repair a rotary scanner and purchase new equipment to include scanners, hard drives, a router and electric air duster

Recommendation(s)

That Cabinet approves a Rural/Urban Capital Improvement Grant for:

- (1)** Whitnash Town Council of 50% of the total (net) project costs to install a 'measured mile' path at Washbourne Playing Fields as detailed within paragraphs 1.1, 4.2.2 and 6.2 up to a maximum of £18,164 excluding VAT. As supported by appendix 1.
- (2)** Whitnash Windmill Petanque Club of 80% of the total (net) project costs to install new fencing and build two gazebos as detailed within paragraphs 1.2, 4.2.2 and 6.2, up to a maximum of £5,269 excluding VAT. As supported by appendix 2.
- (3)** Kenilworth Rugby Club of 80% of the total (net) project costs to create a water borehole as detailed within paragraphs 1.3, 4.2.2 and 6.2, up to a maximum of £8,250 excluding VAT. As supported by appendix 3. Subject to receipt of the following:
 - Written confirmation from Kenilworth Town Council to approve a capital grant of £450 (if the application is declined or a reduced amount is offered the budget shortfall will be covered by Kenilworth Rugby Club's cash reserves which have been evidenced through their annual accounts and the provision of recent bank statements)
 - Provision of evidence of land ownership
 - Provision of an appropriate valid insurance certificate for the borehole facility
- (4)** Myton Hospice of 50% of the total (net) project costs to resurface their car park as detailed within paragraphs 1.4, 4.2.2 and 6.2, up to a maximum of £4,721 excluding VAT. As supported by appendix 4. Subject to receipt of the following:
 - Provision of evidence of ownership of the car park land

- Provision of an appropriate valid insurance certificate for the hospices grounds
 - (5)** Baginton Parish Council of 50% of the total (net) project costs to install new playground equipment as detailed within paragraphs 1.5, 4.2.2 and 6.2, up to a maximum of £21,707 excluding VAT. As supported by appendix 5. Subject to receipt of the following:
 - Evidence of increased insurance cover for playground equipment to cover both new and existing equipment
 - (6)** LNWRS of 80% of the total (gross) project costs to repair a rotary scanner and purchase new equipment to include scanners, hard drives, a router and electric air duster as detailed within paragraphs 1.6, 4.2.2 and 6.2, up to a maximum of £4,437 including VAT. As supported by appendix 6. Subject to receipt of the following:
 - Written confirmation from Kenilworth Town Council to approve a capital grant of £100 (if the application is declined or a reduced amount is offered the budget shortfall will be covered by LNWRS's cash reserves which have been evidenced through their annual accounts and the provision of recent bank statements)
 - Provision of an appropriate insurance certificate covering the period 1st December 2021 to 30th November 2022
 - (7)** After the approval of the above applications the scheme is then temporarily closed to enable a review of the current criteria and to look at changing the award decision process to an officer scheme of delegation.
-

1 Background/Information

1.1 Whitnash Town Council:

Whitnash Town Council has submitted a RUCIS application to install a new 'measured mile' path at Washbourne Playing Fields for residents to use for exercise; the Town Council want the 'mile' to encourage people to walk, run, use wheelchairs, and push prams around it.

Projects of more than £10,000 overall costs fall within the Main Grants category of the RUCIS scheme which has a maximum contribution of up to 50% of the overall project costs or 60% if it is an environmentally sensitive project; the project cost is £36,327 (excluding VAT), it is not an environmentally sensitive project and therefore qualifies to apply for a grant of up to 50%.

The application is for 50% of the total project costs up to a maximum of £18,164 excluding VAT.

Whitnash Town Council has committed £18,163 to the project costs from their cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Year-Ending 31st March 2021, Whitnash Town Council cash reserves are £1,089,845, however, please note that these high cash reserves include; Civic Centre construction funds totalling £476,352.50, other grants totalling £2851.77 and funds that the Town Council have been saving towards start up and running costs for the new Civic Centre.

Whitnash Town Council will be reclaiming VAT in connection to this project therefore the award will be excluding VAT. The VAT will initially be paid from

the Council's cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Whitnash Town Council have previously successfully applied for RUCIS grant awards:

- January 2019 – 80% grant awarded which equated to £1,473 for installing a height restrictor barrier at Washbourne Playing Fields
- July 2014 - additional award to grant agreed December 2013 which increased the overall award to 37% and equated to an additional £5,364 for third party payment charge for WREN grant application due to unsuccessful Sport England grant application
- December 2013 - 32% grant awarded which equated to £24,500 for installation of a "measured mile" at Acre Close Park
- December 2011 – 44% grant awarded which equated to £26,500 for the replacement and installation of new play equipment at Acre Close Park
- December 2008 – 50% grant awarded which equated to £4,704 for modernisation of play equipment; please note that there was a £359 under spend on this project
- July 2005 – 34% grant awarded which equated to £15,506 for external and internal improvements to the Community Hall and improved security; please note that there was a £2,991 under spend on this project
- December 2004 – 50% grant awarded which equated to £7,743 for replacement play equipment at Acre Close Park and Washbourne Playing Fields play areas
- December 2004 – 50% grant awarded which equated to £5,800 for Community Centre road works and levelling and paving of entrance

The application therefore meets the scheme criteria whereby after a successful grant award an organisation must wait for a minimum of 2 years before re-applying for a new grant.

It is therefore recommended that Cabinet approves an award of a Rural / Urban Capital Improvement grant to Whitnash Town Council of 50% of the total costs of the project excluding vat up to a maximum of £18,164.

1.2 Whitnash Windmill Petanque Club:

Whitnash Windmill Petanque Club has submitted a RUCIS application to install new fencing and build two gazebos. This is part of an overall project to expand the facility which will see the number of pistes (lanes) expanding from 10 to 16 and will also provide shelter to both players and spectators to enable all-year round participation.

Projects of less than £10,000 overall costs fall within the Small Grants category of the RUCIS scheme which has a maximum contribution of up to 80% of the overall project costs or 90% if it is an environmentally sensitive project; the project cost is £6,586 (excluding VAT), it is not an environmentally sensitive

project and therefore qualifies to apply for a grant of up to 80%.

The application is for 80% of the total project costs up to a maximum of £5,269 excluding vat.

Whitnash Windmill Petanque Club has committed £1,317 to the project costs from their cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Whitnash Windmill Petanque Club will be reclaiming VAT in connection to this project therefore the award will be excluding VAT. The vat will initially be paid from the club's cash reserves following a loan from the Playing Captain which will be repaid when the VAT reclaim is received; these funds have been evidenced through the provision of a recent bank statement.

Whitnash Windmill Petanque Club made a formal request to Whitnash Town Council for a £200 financial contribution to the project, unfortunately this was declined, the reason given was that "Whitnash Sports and Social Club is not eligible for financial aid from Whitnash Town Council as it is a private members club".

Whitnash Windmill Petanque Club have never previously had a RUCIS grant award.

The application meets the scheme criteria, it is therefore recommended that Cabinet approves an award of a Rural / Urban Capital Improvement grant to Whitnash Windmill Petanque Club of 80% of the total costs of the project excluding VAT up to a maximum of £5,269.

1.3 Kenilworth Rugby Club:

Kenilworth Rugby Club has submitted a RUCIS application to create a new water borehole to ensure that the club can draw a measured supply of ground water on a daily basis in periods of prolonged dry weather to top up the ponds created to relocate the Great Crested Newts (a condition of Natural England for granting the relocation licence for the newts as part of the club's ground relocation) and to feed the irrigation system for the playing pitches.

It should be noted that there is a low risk that water may not be found which would result in an unsuccessful project and would still incur costs as noted on the contractors quote; "In the event of no water being found there will be a one-off charge of £2,500 to cover the cost of transportation and one days' drilling". However, Kenilworth Rugby Club believe that there is very little risk of not finding water as a full geotechnical investigation has been undertaken (report has been provided); "as part of the investigation, groundwater monitoring visits carried out to the standpipes installed in the cable percussive boreholes have recorded the presence of standing levels of groundwater at the base of CP101 and CP012 at depths of between 1.48m (CP101) and 1.82m (CP102)".

Projects of less than £10,000 overall costs fall within the Small Grants category of the RUCIS scheme which has a maximum contribution of up to 80% of the overall project costs or 90% if it is an environmentally sensitive project; the project cost is £8,250 (excluding VAT), it is not an environmentally sensitive project and therefore qualifies to apply for a grant of up to 80%.

The application is for 80% of the total project costs up to a maximum of £6,600 excluding vat.

Kenilworth Rugby Club has committed £1,200 to the project costs from their cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Kenilworth Rugby Club will be reclaiming VAT in connection to this project therefore the award will be excluding VAT. The VAT will initially be paid from the Club's cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Kenilworth Rugby Club have made a formal request to Kenilworth Town Council for a £450 financial contribution to the project and are now awaiting a decision; if the application is unsuccessful the project shortfall will be covered by Kenilworth Rugby Club from their cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Kenilworth Rugby Club has previously had the following successful RUCIS grants:

- March 2018 – 80% grant awarded which equated to £7,705 to improve and redevelop clubhouse facilities; replace furniture, dim-out curtains, damaged radiators, security door, hand drier and install a new hot water tank to better provide hot water for all showers
- July 2014 – 50% grant awarded which equated to £3,628 to repair the changing room roof and provide a new irrigating system

The application therefore meets the scheme criteria whereby after a successful grant award an organisation must wait for a minimum of 2 years before re-applying for a new grant.

It is therefore recommended that Cabinet approves an award of a Rural / Urban Capital Improvement grant to Kenilworth Rugby Club of 80% of the total costs of the project excluding vat up to a maximum of £6,600.

1.4 **Myton Hospice:**

Myton Hospice has submitted a RUCIS application to resurface their car park.

Projects of more than £10,000 overall costs fall within the Main Grants category of the RUCIS scheme which has a maximum contribution of up to 50% of the overall project costs or 60% if it is an environmentally sensitive project; the project cost is £11,330 including VAT (£9,442 excluding VAT), it is not an environmentally sensitive project and therefore qualifies to apply for a grant of up to 50%. The application is for 50% of the total project costs up to a maximum of £4,721 excluding vat.

Myton Hospice has committed £4,721 to the project costs from their cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Myton Hospice will be reclaiming VAT in connection to this project therefore the award will be excluding VAT. The VAT will initially be paid from the hospice's cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Myton Hospice made a formal request to Warwick Town Council for a £400 financial contribution to the project, unfortunately this was declined, the reason given was "section 4 of our Grants Policy states that 'only one application will be considered from an organisation in each financial year.' We awarded and paid Myton Hospice £2,559.00 in May 2021 so unfortunately we are unable to consider any further grants from Myton Hospice until next Financial Year (started from 1st April 2022)."

Myton Hospice have never previously had a RUCIS grant award.

The application meets the scheme criteria, it is therefore recommended that Cabinet approves an award of a Rural / Urban Capital Improvement grant to Myton Hospice of 50% of the total costs of the project excluding VAT up to a maximum of £4,721.

1.5 Baginton Parish Council:

Baginton Parish Council has submitted a RUCIS application to install new playground equipment at the 'Lucy Price playground' to update the facilities and once again make it an enjoyable and safe play area for children of all ages and abilities.

Projects of more than £10,000 overall costs fall within the Main Grants category of the RUCIS scheme which has a maximum contribution of up to 50% of the overall project costs or 60% if it is an environmentally sensitive project; the project cost is £43,414 (excluding VAT), it is not an environmentally sensitive project and therefore qualifies to apply for a grant of up to 50%.

The application is for 50% of the total project costs up to a maximum of £21,707 excluding VAT.

Baginton Parish Council has not committed a contribution to this project as they are funding other stages of the overall project which have included to-date £11,925 on repairs and refurbishing existing play equipment and ear-marking other funds for tree works around the playground area, signage with emergency details noted and other potential works not yet quoted. The £11,925 costs have been evidenced via a copy of the contractors invoices.

Baginton Parish Council will be reclaiming VAT in connection to this project therefore the award will be excluding VAT. The VAT will initially be paid from the Council's cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

The remaining 50% of the project costs have been 'matched' by the 'Lucy Price Relief in Need Fund'.

Baginton Parish Council have previously successfully applied for RUCIS grant awards:

- July 2007- 50% grant awarded which equated to £1,100 for play area repairs
- February 2006 – 33% grant awarded which equated to £1,750 for a replacement bus shelter

The application therefore meets the scheme criteria whereby after a successful grant award an organisation must wait for a minimum of 2 years before re-applying for a new grant.

It is therefore recommended that Cabinet approves an award of a Rural / Urban Capital Improvement grant to Baginton Parish Council of 50% of the total costs of the project excluding vat up to a maximum of £21,707.

1.6 LNWRS:

LNWRS has submitted a RUCIS application to repair a rotary scanner and purchase new equipment to include scanners, hard drives, a router and electric air duster .

Projects of less than £10,000 overall costs fall within the Small Grants category of the RUCIS scheme which has a maximum contribution of up to 80% of the overall project costs or 90% if it is an environmentally sensitive project; the project cost is £5,546 (including VAT), it is not an environmentally sensitive project and therefore qualifies to apply for a grant of up to 80%.

The application is for 80% of the total project costs up to a maximum of £4,437 including vat.

LNWRS has committed £1,009 to the project costs from their cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

LNWRS will not be reclaiming VAT in connection to this project therefore the award will be including VAT.

LNWRS have made a formal request to Kenilworth Town Council for a £100 financial contribution to the project and are now awaiting a decision; if the application is unsuccessful the project shortfall will be covered by LNWRS from their cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

LNWRS has previously had the following successful RUCIS grant:

- March 2018 – 80% grant awarded which equated to £7,885 to provide disabled access/facilities and to purchase and install security equipment for their Study Centre and purchase a large A0 scanner

The application therefore meets the scheme criteria whereby after a successful grant award an organisation must wait for a minimum of 2 years before re-applying for a new grant.

It is therefore recommended that Cabinet approves an award of a Rural / Urban Capital Improvement grant to LNWRS of 80% of the total costs of the project including vat up to a maximum of £4,437.

2 Alternative Options available to Cabinet

- 2.1 The Council has only a specific capital budget to provide grants of this nature and therefore there are no alternative sources of funding if the Council is to provide funding for Rural/Urban Capital Improvement Schemes.
- 2.2 Members may choose not to approve the grant funding, or to vary the amount awarded, however, this will potentially prevent the projects from being completed.

3 Consultation and Member's comments

- 3.1 Include any comments received in response to the consultation on the report.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 There are no legal rights implications for the proposals; please note that whilst Whitnash Town Council have deemed Whitnash Sports & Social Club (WSSC) as a 'private members club' whilst declining the Whitnash Windmill Petanque Club's (WWPC) request for a financial contribution to the project, our definition, along with a number of other sports clubs that have successfully applied for RUCIS grants, is that although there is a membership scheme this is open to anyone in the community to join and guests/visitors are still able to go in/use the facilities. It is a not-for-profit organisation as there are no shareholders, no

dividends paid etc, any profits made are retained within the cash reserves for re-investing in the club. Additionally, the applicant is actually WWPC which is a sports section affiliated with WSSC but is separately run with its own committee, accounts and membership. Again, WWPC is open to anyone to join, it is run by volunteers and is a not-for-profit organisation. This all meets the RUCIS scheme criteria.

4.1.2 There are no human rights implications for the proposals.

4.2 Financial

4.2.1 The budget for Rural/Urban Capital Improvement Scheme applications for 2021/22 is £100,000.

4.2.2 There is £63,206 remaining budget available to be allocated, if the applications from:

- Whitnash Town Council of 50% of the total project costs up to a maximum of £18,164 excluding VAT
- Whitnash Windmill Petanque Club of 80% of the total project costs up to a maximum of £5,269 excluding VAT
- Kenilworth Rugby Club of 80% of the total (net) project costs up to a maximum of £8,250 excluding VAT
- Myton Hospice of 50% of the total (net) project costs up to a maximum of £4,721 excluding VAT
- Baginton Parish Council of 50% of the total (net) project costs up to a maximum of £21,707 excluding VAT
- LNWRS of 80% of the total (gross) project costs up to a maximum of £4,437 including VAT

are agreed, £658 will remain in the RUCIS budget.

4.3 Council Plan

4.3.1 Warwick District Council's Fit for the Future (FFF):

People - Health, Homes, Communities; all RUCIS applications are designed to encourage and support local communities and local not-for-profit organisations in developing cohesive and active communities. The details behind this are set out in appendices 1, 2, 3, 4, 5 and 6.

Services – Green, Clean, Safe; through the delivery of RUCIS grants the aim is to deliver cohesive and active communities which in turn help to support and maintain lower levels of crime and ASB. The details behind this are set out in appendices 1, 2, 3, 4, 5 and 6.

4.4 Environmental/Climate Change Implications

4.4.1 There are no environmental implications for the proposals.

4.5 Analysis of the effects on Equality

4.5.1 Impact Assessments; there are no new or significant policy changes proposed in respect of Equalities

4.6 Data Protection

4.6.1 There are no data protection implications for the proposals.

4.7 Health and Wellbeing

4.7.1 All projects support a combination of potential reductions in anti-social

behaviour, obesity and social isolation.

5 Risk Assessment

5.1 There are no risks for this proposal.

6 Conclusion/Reasons for the Recommendation

- 6.1 Warwick District Council operates a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grants recommended are in accordance with the Council's agreed scheme and will provide funding to help the projects progress.
- 6.2 All projects meet the criteria and contribute to the minimum number of required objectives for the Council's Fit for the Future Strategy, for example; support reduction in anti-social behaviour and obesity, increase opportunities for everyone to enjoy and participate in sports and physical/arts/cultural activities, and engage and strengthen communities.
- 6.3 To maintain a 'robust' scheme periodic reviews should be undertaken to ensure that the scheme criteria remains relevant and suitable; this includes the decision making process.

Background papers:

None

Supporting documents:

Appendix 1 – Whitnash Town Council RUCIS 257 Application Details

Appendix 2 – Whitnash Windmill Petanque Club RUCIS 258 Application Details

Appendix 3 – Kenilworth Rugby Club RUCIS 259 Application Details

Appendix 4 – Myton Hospice RUCIS 260 Application Details

Appendix 5 – Baginton Parish Council RUCIS 261 Application Details

Appendix 6 – LNWRS RUCIS 262 Application Details

Appendix 7 – Summary of Financial Impact of Approving Scheme

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	9 th December 2021	
Title of report	Rural/Urban Capital Improvement Scheme (RUCIS) Application	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)	N/A	Not applicable
Portfolio Holder WDC & SDC *	8.11.21	Cllr Hales - support
Financial Services *	8.11.21	Richard Wilson – no comments
Legal Services *	8.11.21	Phil Grafton – no comments
Other Services	N/A	Not applicable
Chief Executive(s)	8.11.21	Chris Elliott – no comments
Head of Service(s)	8.11.21	David Platts – no comments
Section 151 Officer	8.11.21	Mike Snow – no comments
Monitoring Officer	8.11.21	Phil Grafton – no comments
CMT (WDC)	22.11.21	Chris Elliott, Andy Jones, Dave Barber, Tony Perks - support
Leadership Co-ordination Group (WDC)	22.11.21	Support
Other organisations	N/A	Not applicable
Final decision by this Committee or rec to another Ctte/Council?		Recommendation Cabinet Committee
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)?		Yes – Forward Plan Item 1198
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility

RURAL/URBAN CAPITAL IMPROVEMENT GRANTS APPLICATION FOR 9TH DECEMBER 2021 CABINET:

Applicant :	Whitnash Town Council									
Description of scheme:	Whitnash has had a measured mile for over five years in its park at Acre Close. It was well used but due to an increase in rain all-year round it suffered with parts of it being impassable at times. The Town Council have agreed to put a new measured ‘mile’ at Washbourne Playing Fields to create a park more about health and nature and making Acre Close an activity park for indoor and outdoor sport. The project will deliver a tarmac path around the Washbourne playing field for residents to use for exercise; the Town Council want the ‘mile’ to encourage people to walk, run, use wheelchairs, and push prams around it.									
Evidence of need:	1) Usage of the current mile at Acre Close; it has been well used weather allowing. 2) Health and safety issues with the current mile at Acre Close due to heavy rain and drainage; Washbourne Playing Field does not have the same issue. 3) Discussions with residents using Acre Close. A survey has also taken place at the ‘One Year to Go’ event at Washbourne to explain what the Town Council would like to do and seek residents’ comments; 100% of those asked agreed with the idea and hoped the 'mile' would be installed soon. 4) Whitnash Neighbourhood Plan (2015) 2011-2029, the vision for Whitnash is; “In 2029 Whitnash will have a strong, local identity of a sustainable, thriving town which serves its local residents and businesses well and continues to have close family and community support. Community facilities will be enhanced, green spaces and historical links maintained and a realistic number and mix of housing built in and around Whitnash will meet the needs of all ages and groups in the town.”									
3 years accounts received?	2019 - 2021 accounts have been received along with a recent bank statement for all accounts held (August 2021); this evidences sufficient cash reserves to meet the contribution stated on the application form. Please note the high cash reserves include; Civic Centre construction funds from PWLB, WCC, Sport England, Lotteries grants totalling £476,352.50, other grants totalling £2851.77, funds the Town Council have been saving for towards start up and running costs etc for the Civic Centre and Earmarked reserves for F&GP, H&PF.									
Financial Performance; minus figure = deficit	<table><tr><td>Year ended</td><td>Year ended</td><td>Year ended</td></tr><tr><td>31/03/21</td><td>31/03/20</td><td>31/03/19</td></tr><tr><td>£1,175,270</td><td>£725,021</td><td>£375,253</td></tr></table>	Year ended	Year ended	Year ended	31/03/21	31/03/20	31/03/19	£1,175,270	£725,021	£375,253
Year ended	Year ended	Year ended								
31/03/21	31/03/20	31/03/19								
£1,175,270	£725,021	£375,253								
Available Funds (cash and reserves)	<table><tr><td>Year ended</td><td>Year ended</td><td>Year ended</td></tr><tr><td>31/03/21</td><td>31/03/20</td><td>31/03/19</td></tr><tr><td>£1,089,845</td><td>£724,381</td><td>£365,880</td></tr></table>	Year ended	Year ended	Year ended	31/03/21	31/03/20	31/03/19	£1,089,845	£724,381	£365,880
Year ended	Year ended	Year ended								
31/03/21	31/03/20	31/03/19								
£1,089,845	£724,381	£365,880								
Details of membership, fees etc:	There is no charge for using the playing fields.									
Details of usage:	Washbourne Playing Fields provides recreation facilities for Whitnash residents, it has always been the park without organised sporting activities but with trees and bushes, a natural feel. A place where the play equipment is good, dog walkers like to use it and there are benches for people to sit on. It is impossible to quantify numbers as it is an open field; it is used all-year round, it is especially busy when the local schools finish at the end of the day, at weekends and school holidays and is used by all age ranges.									
Details of Organisations equalities policies:	Whitnash Town Council is a local authority subject to statutory duties applicable to a public body. Whitnash Town Council is subject to the Equality Act 2010, but as a public authority it has additional obligations in the 2010 Act. It must have due regard to the need to eliminate discrimination and harassment, victimisation and to advance equality of opportunity in the exercise of its functions. A local council is also a public authority for the purposes of the Human Rights Act. There is also a “policy statement of equal opportunities” in place, a highlight from this is; any discrimination, victimisation, or harassment in the workplace, or any other action that affects the dignity of our employees, customers, suppliers and visitors is totally unacceptable and will be investigated. The Equality Policy has been forwarded as part of the final application package.									
3 quotes provided:	Yes - three written quotes have been provided. The preferred supplier is the second cheapest quote, the rationale noted on the application form is; "2nd Cheapest, local AND removes the waste from site. Cheapest (though also local) does not include that in the price."									
Which of the Council's Corporate Priorities are met?	Evidence									
Reduce anti-social behaviour	Playing fields provide opportunity for physical activity and act as a focal point for members of the community to congregate and socialise. Washbourne Playing Fields already has good play equipment, dog walkers like to use it and there are benches for people to sit on. The project will deliver a measured ‘mile’ path that can be used by all members of the community across all age ranges all-year round to walk, run, use wheelchairs and push prams around it to exercise and socialise. This all helps to reduce anti-social behaviour.									
Reducing obesity, particularly in children	Washbourne Playing Fields provides opportunity for physical activity; dog walkers like to use the area and besides the green space there is a range of good play equipment for children to use. The project will deliver a measured ‘mile’ path that can be used by all members of the community across all age ranges all-year round to walk, run, use wheelchairs and push prams around it to exercise which will further help to reduce obesity including in children.									
Increase opportunities for everyone to enjoy and participate in sports, arts and cultural activities	The project will deliver a measured ‘mile’ path that can be used by all members of the community across all age ranges all-year round which will increase opportunity for the community to participate in physical activity.									
Engaging and strengthening communities	Playing fields provide opportunity for physical activity and act as a focal point for members of the community to congregate and socialise. The project will deliver a measured ‘mile’ path that can be used by all members of the community across all age ranges all-year round, it will provide residents a place to be that helps with peace of mind, engaging nature while getting healthy. This will help to further engage and strengthen the community.									

Total cost of scheme (including VAT where appropriate)	£36,327	This is the net cost as the Town Council will be reclaiming VAT from HMRC.
Funded by:	Status	
Organisations Own Funds	£18,163	Approved
Total RUCIS	£18,164	
equates to	50.0%	

RURAL/URBAN CAPITAL IMPROVEMENT GRANTS APPLICATION FOR 9TH DECEMBER 2021 CABINET:

Applicant :

Whitnash Windmill Petanque Club

Description of scheme:

Whitnash Windmill Petanque Club (WWPC) has been based at the Whitnash Sports & Social Club (WSSC) since 2007 when members of the Petanque Club turned a large piece of waste WSSC ground into a smart new petanque facility. Since then, the petanque club has continually maintained and improved the petanque terrain, adding a wooden pavilion, shed, seating and fencing. This grant application is to enable the club to make the following improvements:

- WSSC is generously allowing WWPC to expand the petanque facility by utilising a large area of land (18m x 18m) adjacent to their current facility. This will enable the club to build another six pistes (playing lanes) which would increase the playing facility to 16 pistes in total. This is the perfect number of pistes for any petanque facility as it allows 32 teams to play comfortably which is the ideal number for all major competitions. The area will of course need to be fenced off, especially from a H&S point of view as they are playing with heavy metal boules, and the club would also like to replace an existing fence along their current facility with similar fencing, which will then aesthetically make this area a smart and fully enclosed space. The total length of fencing required is 72 metres.
- WSSC has also recently allowed WWPC to extend one of the pathways around their existing terrain by 2 metres wide all along the 35 metre (approx.) length of the current club facility. This has addressed a H&S issue as the original pathway was only one metre wide and has now given the club the opportunity and capacity to add spectator/player shelters along this pathway which will be a major part of this project. WWPC are therefore applying for funding of the materials to build two 7.2m x 2m wooden gazebos/pavilions for erecting down this new widened pathway. Manufactured wooden gazebos/pavilions are very expensive and in fact the dimensions are not conducive to the area they have, so the club preference is to build their own bespoke gazebos which will ideally meet their requirements. Petanque is an all-year round sport and these gazebos will provide players with shelter from the elements (rain or sunshine) during and in between play when necessary. The gazebos will also be invaluable as spectator shelters when the club host large competitions throughout the year.

Evidence of need:

The need for this project has simply evolved through ongoing development of the club terrain; it is the club's desire to make this facility the best there is and to encourage more people to get involved. This application will not only enhance and improve the current petanque facility but will also allow the club to take full advantage of the generous gesture by WSSC to offer the extra land to expand the club terrain by 50 per cent, and inevitably the club will need funds to help achieve this. It has been agreed between WSSC and WWPC that although this extra space has been allocated for petanque, it could also be used for, say, an outdoor exercise class, or a summer fete or beer festival, farmers market, etc if required in the future, by mutual agreement.

3 years accounts received?

2018 - 2020 accounts have been received along with a recent bank statement for all accounts held (September 2021); this evidences sufficient cash reserves to meet the contribution stated on the application form. However, it was noted that there were insufficient cash reserves to fund the VAT costs of the project whilst waiting for the monies to be reclaimed from HMRC, as a result the Playing Captain has loaned WWPC £1,300 which will be repaid to the individual once the VAT reclaim has been received. This 'loan' has been evidenced with the latest bank statement dated 22nd September 2021.

Financial Performance; minus figure = deficit

Year ended	Year ended	Year ended
31/12/20	31/12/19	31/12/18
-£1,249	£756	-£3

Please note that in the 2020 financial year WWPC loaned WSSC £1,400 which has been paid back to WWPC in the 2021 financial year; without this loan payment the 2020 financial year would have been a profit of £151

Available Funds (cash and reserves)

Year ended	Year ended	Year ended
31/12/20	31/12/19	31/12/18
£3,127	£4,303	£3,547

Details of membership, fees etc:

As a section of the Whitnash Sports & Social Club, the WWPC has no hire costs but are required to be members of the WSSC:

- Seniors = £8.50pa
- Adults = £13.50pa
- Juniors = £2.50pa

WWPC members fees:

- Subscription is £5pa.
- Members are also individually required, for insurance purposes, to hold a licence with the National Body, Petanque England, which is currently £28pa.
- In addition, members are charged £1 for each week that they use the facility to help with the upkeep of the terrain.

All in all, a very affordable pastime and sport.

Details of usage:

Whitnash Windmill Petanque Club (WWPC) is a sports section of the Whitnash Sports & Social Club (WSSC). Petanque (French boules) is a sport for all ages and club members (currently 32 but increasing) range from 10 to 90 years of age.

- The club facility is open to individual members to use any time seven days a week.
- The 'club night' is Mondays; members meet every week of the year in all weathers.
- Members occasionally meet on other days/nights individually.
- Many of the more competitive members not only play on 'club night's' and closed competitions, but also play in regional competitions, playing at home and other venues within the Heart of England region.
- Some of the more serious players play at national level, travelling all around the country to play, and currently there are four members who play for England, including one 23-year-old, Rachel Kelly, who has recently become the Petanque England National Ladies Singles Champion for 2021 and has also qualified for the England Ladies Squad 2021/22, along with fellow member Hannah Griffin.
- The club holds several club competitions at weekends each year: approx. 15 per year, with approx. 20 members attending each competition.
- The club competes in the regional Warwickshire and West Midlands Summer league matches which are held on Wednesday evenings; this runs from May to September each year. This year's event has just been completed with one of the Whitnash 3-man teams finishing top out of sixteen regional teams and retaining the Championship title from 2019. Two of the other three Whitnash teams finished in the top half of the table.
- The club organises two or three large open events during the year hosting 32 triples teams; such is the quality and reputation of the club, they are often invited to host national competitions by their national body, Petanque England. This year, for example, the club has been invited to host the national Champion of Champions Pairs and Triples competitions for England on 18th/19th September.
- In the past the club has invited schools, youth clubs and scout groups to come and try the sport to provide youngsters with a worthwhile pastime; the groups that took up the offer always enjoyed it.
- Last year the Club was voted 10th in the top venues in England.

Details of Organisations equalities policies:		The Club operates an 'open to all' policy, irrespective of age, disability, ethnicity, nationality, religion or sexual orientation. Currently there is no written equality policy as such but is an unwritten rule which will be included in the club's constitution at their next AGM.
3 quotes provided:		Yes - six written quotes have been provided (three quotes for each aspect of the project works). Fencing; the preferred supplier is the lowest quote and includes installation. Gazebos; commercial gazebos are not available to the size required, the club have chosen a bespoke design, to ideally fit the area required, at more than half the price, and installation will be by volunteer members to cut down the cost on labour. The preferred materials supplier is the second cheapest quote, the rationale noted on the application form is; "we have selected Building & Plumbing as our preferred supplier, as we have found them very reliable and helpful in the past."
Which of the Council's Corporate Priorities are met?		Evidence
Reduce anti-social behaviour		<p>The club provides sporting activities and social interactions for 32 members ranging from 10 to 90 years of age.</p> <ul style="list-style-type: none"> • The facility is open to individual members to use seven days a week. • The 'club' night is Monday; members meet every week of the year in all weathers. • Members occasionally meet on other days/nights individually or in groups. • Many of the more competitive members not only play on 'club' nights and closed competitions, but also play in regional competitions, playing at home and other venues within the Heart of England region. • Some of the more serious players, play at national level, travelling all around the country to play, and currently there are four members who play for England. • The club holds several club competitions at weekends each year: approx. 15 per year, with approx. 20 members attending each competition. • The club competes in the regional Heart of England Summer League matches which are held on Wednesday evenings; this runs from May to September each year and during the winter months the Heart of England region organises a Winter pairs tournament over four months, for which our members are eligible to play. • The club organises two or three large open events during the year hosting 32 triples teams; such is the quality and reputation of the club, we are often invited to host national competitions by our national body, Petanque England. This year, for example, the club has been invited to host the national Champion of Champions Pairs and Triples competitions for England on 18th/19th September. • In the past the club has invited schools, youth clubs and scout groups to come and try the sport to provide youngsters with a worthwhile pastime; the groups that took up the offer always enjoyed it. • The club is always endeavouring to advertise the petanque sport to the community and will continue to encourage all members of society to build a worthwhile environment. <p>The project will increase the number of pistes (lanes) which will enable more players to play at the same time. This all helps to potentially reduce anti-social behaviour.</p>
Reducing obesity, particularly in children		<p>Petanque may look a fairly gentle sport, but in fact it is quite strenuous, as you have to continually bend to retrieve your boules from the ground, you walk up and down the lanes several times in a game, (which can last up to around one and a half to two hours) and the throwing action itself is a great form of exercise. You keep fit whilst enjoying yourself and you don't really notice how much exercise you have done. Petanque is therefore great for keeping fit without going to the gym. The club provides this sporting/physical activity for 32 members ranging from 10 to 90 years of age.</p> <ul style="list-style-type: none"> • The club facility is open 7 days a week • Weekly 'club' nights are held • Members play individually whenever they wish to do so • Club competitions are held at weekends • The club competes in the national summer league between May and September. <p>The project will increase the number of pistes (lanes) which will enable more players to play at the same time. This all helps to potentially reduce obesity across all sectors of the community including children.</p>
Increase opportunities for everyone to enjoy and participate in sports, arts and cultural activities		The project will increase the number of pistes (lanes) from 10 to 16 which will enable more players to play at the same time and will help to facilitate all-year-round play by providing shelter for players and spectators from the elements. This will help to increase opportunities for everyone to enjoy and participate in this sporting activity throughout the year.
Engaging and strengthening communities		The club is managed and run by a wide range of volunteers from the local community and the sporting activity provided builds friendships, company, and social interaction, which is important for everyone for mental wellbeing as well as physical wellbeing, especially at this time of the Covid-19 pandemic. Social interaction is across age ranges and is important for older members who otherwise could be left quite isolated. The project will further improve the club facility and increase opportunity to enjoy and participate in sporting activity which potentially will also attract even more players to WWPC and more national competitions to our region. This all helps to engage and strengthen the community.
Total cost of scheme (including VAT where appropriate)	£6,586	This is the net cost as the club will be reclaiming VAT from HMRC.
Funded by:		Status
Organisations Own Funds	£1,317	Approved
Total RUCIS	£5,269	
equates to	80.0%	

RURAL/URBAN CAPITAL IMPROVEMENT GRANTS APPLICATION FOR 9TH DECEMBER 2021 CABINET:

Applicant :	Kenilworth RFC									
Description of scheme:	<p>As part of the club's relocation project they have constructed a new habitat to relocate the Great Crested Newts (GCN’s) into. In spells of dry weather, the club needs to ensure that the ponds are sufficiently full to sustain and protect the GCN’s. To achieve this, they are installing ground water capture tanks which will be linked to both the site irrigation system and the ponds hosting the GCN’s. As a backup to mitigate the scenario of the tanks running dry, the club are intending to install a borehole to top up the tanks. The borehole supply would mean that they would not have to draw clean water from Severn Trent thus saving a valuable resource in times of dry weather. On the eastern plot the club will construct a large underground surface water catchment tank which will collect the surface run-off water and store it. If the tank needs to overflow due to excessive and persistent rain it will do so into a ditch and then into a pit within the ancient woodlands. The tank overflow easement is currently being negotiated. The surface water tank will be used for two distinct purposes:</p> <p>1. To top up the 2 ponds created to relocate the Great Crested Newts (GCN’s) as and when required - this is a condition of Natural England for granting the relocation licence for the GCN's</p> <p>2.To feed the irrigation system for the pitches</p> <p>In periods of prolonged dry weather, it is likely that the tank will run dry and will therefore require topping up. If this happens, the club would either have to purchase water from Severn Trent, if it was available to them in dry periods, or utilise a borehole to ensure that they can draw a measured supply of ground water on a daily basis. The artificial pitch construction requires regular watering as do the grass pitches therefore if the irrigation is not in place to support periods of prolonged dry weather, the pitches will then deteriorate thus shortening the effective life of the playing surfaces and potentially making them unplayable with a potential impact on obesity and anti-social behaviour. This application is for a contribution to the project to create the borehole.</p>									
Evidence of need:	<p>The need for this project is driven by the requirement to conserve water (a precious resource) and ensure pitches remain irrigated in periods of prolonged dry weather whilst ensuring a robust solution to protect the GCN’s which are a protected species; this is a condition of Natural England for granting the relocation licence for the GCN's</p>									
3 years accounts received?	<p>2019 - 2021 accounts have been received along with a recent bank statement for all accounts held (15th August 2021); this evidences sufficient cash reserves to meet the contribution stated on the application form.</p>									
Financial Performance; minus figure = deficit	<table><tr><td>Year ended</td><td>Year ended</td><td>Year ended</td></tr><tr><td>30/04/21</td><td>30/04/20</td><td>30/04/19</td></tr><tr><td>£101,043</td><td>-£5,366</td><td>-£12,831</td></tr></table>	Year ended	Year ended	Year ended	30/04/21	30/04/20	30/04/19	£101,043	-£5,366	-£12,831
Year ended	Year ended	Year ended								
30/04/21	30/04/20	30/04/19								
£101,043	-£5,366	-£12,831								
Available Funds (cash and reserves)	<table><tr><td>Year ended</td><td>Year ended</td><td>Year ended</td></tr><tr><td>30/04/21</td><td>30/04/20</td><td>30/04/19</td></tr><tr><td>£100,553</td><td>£16,634</td><td>£10,816</td></tr></table> <p>NOTE: Cash reserves are inflated due to forward funding and grants received for the ground reloaction project. The balance sheet for year ending 30th April 2021 notes overall current assets of £414,098 against net current liabilities of £374,956</p>	Year ended	Year ended	Year ended	30/04/21	30/04/20	30/04/19	£100,553	£16,634	£10,816
Year ended	Year ended	Year ended								
30/04/21	30/04/20	30/04/19								
£100,553	£16,634	£10,816								
Details of membership, fees etc:	<p>Annual Subscription Rates for 2021-2022:</p> <p>Mini & Junior Membership;</p> <p>Players under the age of 18, will be joining under one of the following family membership schemes, whereby membership is granted to the whole family:</p> <ul style="list-style-type: none">• Family (single child) £100• Family (2+ children) £140 <p>Senior Membership;</p> <ul style="list-style-type: none">• Adult Player (18 or over) £110• Member (Non-Playing) £110• Vice President £135• Life Member £1,200 <p>Qualification for reduced subscription rates for student memberships, and concessions for armed forces personnel and low attendance players or members is determined at the discretion of the Management Committee.</p>									
Details of usage:	<p>MAIN CLUB SITE (4 acres): one full size pitch with lights, single story clubhouse, car parking around club and pitch. Clubhouse contains: 4 changing & shower rooms, licensed general bar area, licensed function room with bar (80 seated), toilets and kitchen.</p> <p>COWPATCH (ROCKY LANE) SITE (18 acres): 4 full size pitches (one with lights), 8 portable floodlights, pitches double as Junior pitches, other Junior pitches fill in the space between main pitches, car parking around pitches, series of portakabins for storage, changing and very basic toilet facilities, small kitchen area with hatch snacks with eating outside, BBQ area.</p> <p>NEW CLUB SITE (4 acres): as part of the club's recently approved planning application they will be relocating to new premises at Land to the East of Warwick Road, to the south of Kenilworth Cricket Club, CV8 1FE adjacent to the new Pavilions residential development.</p> <p>CURRENT USEAGE:</p> <p>Sunday: 10am to 5pm</p> <ul style="list-style-type: none">• 10am to 1pm – Minis’ & Juniors’ training, aapprox. 330 players• 1pm to 5pm – Womens’ game every 2nd/3rd week in afternoon, approx. 20 Kenilworth players <p>Tuesday:</p> <ul style="list-style-type: none">• Training for Colts (U18s) – 6pm to 8pm, approx. 25 players• Training for men – 7pm to 9pm, approx. 30 players• Training for women – 7pm to 9pm, approx. 30 players• Kenilworth Runners Club (Cow Patch Site) – 7pm to 9pm, approx. 40-50 runners <p>Wednesday:</p> <ul style="list-style-type: none">• Training for U16’s - 6pm to 8pm, approx. 25 players• Touch Rugby for anyone, 7pm til 8.30pm, approx. 20 players <p>Thursday:</p> <ul style="list-style-type: none">• Training for men – 7pm to 9pm, approx. 30 players• Training for women – 7pm to 9pm, approx. 30 players <p>Friday:</p> <ul style="list-style-type: none">• Minis & Juniors training – 5.30pm to 7.00pm. approx. 170 players									

		<p>The club also host Leek Wootton Boys Football Club and run community training camps run by Wasps RFC that draws children who are not necessarily members.</p> <p>The clubhouse & bar are very popular with the club's membership and these facilities are also used by the club's "in-house" and visiting darts teams who play in the local league throughout the year (approx. 20 to 25 players and spectators for each game) in addition to the Vintage Motor Cycle Club who have met monthly for many years (approx. 40 people per meet), Kenilworth Jazz Club (approx. 40 people meet each month) and an annual Kenilworth Golf Club lunch (approx. 50 people). The function room within the club is regularly utilised by members of the community to hold lunches and family celebrations and fund raising events for both local and national charities (approx. 10 to 12 per year, approx. number of people ranging between 30 – 150).</p> <p>The Club hosts social events such as suppers:</p> <ul style="list-style-type: none"> • Burns Night (bi-annually) – approx. 60 people • St David’s Day (bi-annually) – approx. 50 people <p>The Club also hosts Sporting Dinners, typically 2-3 per year. Pre-COVID they have included:</p> <ul style="list-style-type: none"> • John Inverdale, BBC sports broadcaster - 80 people • Dean Richards, Newcastle Falcons coach - 65 people • Nigel Owens, International rugby referee - 120 people • Scott Quinnell, Sky rugby broadcaster - 120 people <p>The club also host an annual 2-day festival (historically held at the end of April) which attracts the following attendance of children and their parents / guardians: Saturday approx. 500 people, Sunday approx. 1,000 people.</p>
Details of Organisations equalities policies:		<p>The club have safeguarding policies already in place which are available to view on the club's website. The club are currently in the process of agreeing a formal equality policy which will then also be published on their website, a draft policy has been provided which includes teh following highlights:</p> <p>"Kenilworth RFC is dedicated to encouraging a supportive and inclusive culture amongst its membership. It is within our best interest to promote diversity and eliminate discrimination at the club. All members must have a genuine and equal opportunity to participate in rugby union as well as nonrugby union activities at the club, at all levels and in all roles. That includes participation as a beginner or elite performer, and as a coach, official, referee, manager, administrator, spectator or social member. In its relationships with members, in its provision of services and any sport, it is the aim of Kenilworth RFC not to disadvantage any individual by imposing any conditions or requirements which cannot be justified. This policy reinforces our commitment to providing equality and fairness to all members and not provide less favourable facilities or treatment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, colour, nationality, national origin, religion or belief, or sex and sexual orientation. We are opposed to all forms of unlawful and unfair discrimination."</p>
3 quotes provided:		Yes
Which of the Council's Corporate Priorities are met?		Evidence
Reduce anti-social behaviour		<p>Currently the club has:</p> <ul style="list-style-type: none"> • 3 Mens’, 1 Colts’ and 2 Womens’ teams who train twice a week and play regular competitive matches. • A Minis & Juniors section of 330 children and young people every Sunday in the season - training various teams every weekday evening under two sets of fixed floodlights and two portable sets. • Non-playing members and family memberships who utilise the clubhouse facilities and attend social events. • Other organisations use our facilities including; Kenilworth Runners, Warwickshire Bears American Football and Royal Leamington Spa Archery Society <p>The clubhouse is also hired by other organisations such as the Vintage Motorcycle Club, Kenilworth Jazz Club and for ad-hoc events by the community. Members also hold several social events and charity fund raising events each year. The project will also support all-year round use of the pitches including in adverse dry weather conditions. All the above helps to reduce anti-social behaviour.</p>
Reducing obesity, particularly in children		<p>The nature of the club is sporting activity, this helps to reduce obesity. The project will provide a facility to support the irrigation system in periods of prolonged dry weather which will help ensure that the playing surfaces are playable all-year round allowing club members, the linked community groups and other sports organisations to use the facility (these include Leamington Archery Society, Kenilworth Runners, Kenilworth School). This will assist in tackling obesity by encouraging community groups to be active in a setting that is disciplined, safe and secure. KRFC’s Mini and Junior Section (M+J’s) have a membership of circa 330 boys and girls who meet, train and play at the club. This ensures their health and welfare, helps combat obesity and generally instils discipline into them thus reducing the potential for anti-social behaviour.</p>
Increase opportunities for everyone to enjoy and participate in sports, arts and cultural activities		<p>The club's migration to the new ground will deliver improved clubhouse and changing facilities which will facilitate further usage and increased social activities, the project will provide a facility to support the irrigation system in periods of prolonged dry weather which will help ensure that the playing surfaces are playable all-year; this will increase opportunities for everyone to enjoy and participate in sports activities.</p>
Engaging and strengthening communities		<p>The club is run by a wide range of volunteers from across the community, in addition to which there are family memberships, with parents regularly attending to watch their children train and play, and also social events attended by a wide range of people/members. The club's migration to the new ground will deliver improved clubhouse and changing facilities which will facilitate further usage and increased social activities further helping to bring people and families together. The project will provide a facility to support the irrigation system in periods of prolonged dry weather which will help ensure that the playing surfaces are playable all-year round which maintains social interaction throughout the year. This all helps to engage and strengthen the community.</p>
Total cost of scheme (including VAT where appropriate)	£8,250	This is the net cost as the club will be reclaiming VAT from HMRC.
Funded by:		Status
Organisations Own Funds	£1,200	Approved
Kenilworth Town Council	£450	Applied for; if the application is unsuccessful the project shortfall will be covered by Kenilworth Rugby Club from their cash reserves. These funds have been evidenced through their annual accounts and the provision of a recent bank statement.
Total RUCIS equates to	£6,600	80.0%

RURAL/URBAN CAPITAL IMPROVEMENT GRANTS APPLICATION FOR 9TH DECEMBER 2021 CABINET:

Applicant :	Myton Hospice									
Description of scheme:	Resurfacing of the Warwick Myton Hospice Car Park; this will involve breaking out and removing of the existing failed surfacing, laying new surfacing and painting new line markings consisting of junction markings, 91 car parking bays, disabled parking bays and an emergency lane. The project aims to improve the facilities at a space that matters to the community, this will ensure continued usage as currently it is becoming dangerous and unfit for purpose; many of the markings are no longer visible including the arrow signs and words such as “give way” and “slow”, there are many areas with potholes, cracks and uneven surfaces. Continuous use will deepen potholes and cracks and so may damage vehicles (which include Myton at Home team vehicles, patient transport vehicles and ambulances). Pedestrians, including visitors, volunteers and staff also use the car park, which presents a risk of injury. In summary, the car park needs resurfacing due to unclear parking bays and information for drivers, wear and tear, potholes and cracks which will worsen causing risk to vehicles and personnel and general appearance of the front of the hospice which is used by our local community as a fundraising hub for events.									
Evidence of need:	The Hospice's condition survey report undertaken by an independent expert in 2017 identified the need for improvements to the car park and driveway. This is also apparent from a visual perspective; works will improve the condition and safety of the driveway for years to come.									
3 years accounts received?	2019 - 2021 accounts have been received along with a recent bank statement for the only account held in the name of Myton Hospice (31st August 2021); this evidences sufficient cash reserves to meet the contribution stated on the application form.									
Financial Performance; minus figure = deficit	<table><tr><td>Year ended</td><td>Year ended</td><td>Year ended</td></tr><tr><td>31/03/21</td><td>31/03/20</td><td>31/03/19</td></tr><tr><td>£2,262,065</td><td>-£303,144</td><td>-£484,717</td></tr></table>	Year ended	Year ended	Year ended	31/03/21	31/03/20	31/03/19	£2,262,065	-£303,144	-£484,717
Year ended	Year ended	Year ended								
31/03/21	31/03/20	31/03/19								
£2,262,065	-£303,144	-£484,717								
Available Funds (cash and reserves)	<table><tr><td>Year ended</td><td>Year ended</td><td>Year ended</td></tr><tr><td>31/03/21</td><td>31/03/20</td><td>31/03/19</td></tr><tr><td>£3,799,317</td><td>£1,962,223</td><td>£1,969,079</td></tr></table> <p>NOTE: Although Myton Hospice has significant unrestricted cash reserves this meets the RUCIS scheme criteria of available unrestricted cash reserves being no more than 12 months operating costs.</p>	Year ended	Year ended	Year ended	31/03/21	31/03/20	31/03/19	£3,799,317	£1,962,223	£1,969,079
Year ended	Year ended	Year ended								
31/03/21	31/03/20	31/03/19								
£3,799,317	£1,962,223	£1,969,079								
Details of membership, fees etc:	There is no membership scheme as the site is a hospice with no charges to patients or visiting family members. There is no charge to use the car park, however electric charging facilities are available to their local neighbours who need to pay to charge their vehicles.									
Details of usage:	<p>The Warwick Myton Hospice offers specialist care and support to adult patients and their families in Warwick and the surrounding area; their patients have terminal conditions such as heart failure, cancer, motor neuron disease, dementia, Parkinson’s, and COPD. All the hospice's services are free of charge. The following figures are for the year ending 31st March 2020 as this time is a better reflection of normal car park use than the following year which included the Covid restrictions:</p> <ul style="list-style-type: none">• Individual outpatient appointments: 767 cars (based on 95% driving to appointment)• Individual day unit sessions: 423 cars (based on 55% driving as the remaining patients were resident in our IPU)• IPU visitors: 1450 cars (based on 95% of total visitors arriving by car) <p>The hospice don't have figures for the number of cars that use the site for fundraising events, donation drop-offs or their charity shop donation stations nor for the number of staff who use the car park on a daily basis, however, you can see from the examples given that the car park is heavily used by members of the local community and it is therefore vital that repairs are made. As well as providing vital end of life care to patients, the hospice also offers a range of support services to patients with a terminal illness, such as: counselling, physiotherapy and fatigue and breathlessness clinics.</p>									
Details of Organisations equalities policies:	<p>The hospice's formal equality policy has been provided; this policy is intended to demonstrate the hospice's commitment to eliminating discrimination and encouraging and valuing diversity among staff, volunteers, partners, suppliers, users of our services and Trustees. Highlights include:</p> <p>"We recognise our responsibilities under the Equality Act 2010, and are committed to meeting them in full. We believe that a culture that embraces and values equality, diversity and inclusion will help us to ensure that everyone feels involved and included in our plans, programmes and activities.</p> <p>We aim to create an environment which respects and welcomes everyone, and in which no form of bullying, harassment, disrespectful or discriminatory behaviour is tolerated by anyone towards anyone. This particularly applies in relation to the nine ‘protected characteristics’ named in the Equality Act 2010: Age, disability, gender reassignment, marriage or civil partnership status, pregnancy and maternity, race, religion or belief, sex and sexual orientation."</p> <p>The policy applies to all individuals connected to Myton, including but not limited to:</p> <ul style="list-style-type: none">• Patients, service users and their families• Visitors to the hospice• Staff• Volunteers• Contractors and suppliers• Prospective employees and volunteers during recruitment and selection process									
3 quotes provided:	Yes									
Which of the Council's Corporate Priorities are met?	Evidence									
Increase opportunities for everyone to enjoy and participate in sports, arts and cultural activities	Whilst the project doesn’t directly impact on this, the hospice provides wellbeing groups offering activities such as embroidery, gardening, painting etc for both patients and family members. If the car park isn’t resurfaced it will potentially get to a stage where it will become unusable which will affect access to these facilities and in turn would reduce the opportunity for patients and their family members to enjoy and participate in cultural wellbeing activities.									

Engaging and strengthening communities

Whilst the project doesn't directly impact on this, the hospice provides a 'hub' environment for support services, fundraising, events etc. There are lots of community activities that, although closed during the pandemic, have started to re-open. In addition to the end-of-life care provided at the hospice they also offer a range of services for people in earlier stages of their illness, which is open to anyone in the local communities who have received a terminal diagnosis, as well as family members both before and after the death of their loved one; many people may not think of the hospice as a place to provide this type of service. Through the 'Living Well Programme', the hospice have been able to help a number of people who may not previously have accessed hospice support. Examples of the types of support and interventions people have found beneficial are experiencing and learning relaxation techniques, managing anxiety and fatigue, building confidence with physical activities, strengthening emotional coping strategies, learning about the care services and how to access them including the hospice and planning for the future. In addition, the hospice aim to re-start their weekly drop in sessions (for example; hosting garden coffee and cake "welcome back" sessions; approx. 9 sessions with approx. 10 patients at each and then moving on to the indoor drop-in sessions). Sessions include embroidery, macramé, gardening, glass painting, art and craft and jigsaws and in the future the hospice aim to host a monthly film night for families and have live music at their garden events. As well as services the hospice offers to the community, they also use the Warwick Myton Hospice site as a hub for fundraising activities and events as well as a drop-off point for their donation stations that feed their charity shops. The car park is well used by patients, staff, local volunteers and members of the community, it is therefore vital that it is kept in a good state of repair. This all helps to engage and strengthen the community.

Environmentally sensitive - "clean, green and safe", for example; project includes energy efficiency and renewable energy technology

Although not part of this project; Myton Hospice were recently granted money to buy 3 x hybrid-electric vehicles for nurses to make home visits as well as a patient transfer vehicle. They successfully applied to other providers for grants to fund electric vehicle charging points which have now been installed and are being used to charge their own vehicles as well as staff, volunteers and their local neighbours. It's important to ensure that access to these charging points and the car park in general is kept in a good state of repair for all users (including local residents who will be invited to make use of the facilities for a fee) to make full use of this facility and help the climate change emergency.

Total cost of scheme (including VAT where appropriate)

£9,442 This is the net cost as the hospice will be reclaiming VAT from HMRC.

Funded by:

Status

Organisations Own Funds

£4,721 Approved

Total RUCIS

£4,721

equates to

50.0%

RURAL/URBAN CAPITAL IMPROVEMENT GRANTS APPLICATION FOR 9TH DECEMBER 2021 CABINET:

Applicant :	Baginton Parish Council									
Description of scheme:	<p>The existing Lucy Price Playground was installed about 20 years ago using a National Lottery grant. It became very shabby and some equipment was deemed unsafe. Over previous years, other equipment has been removed, leaving a reduced number of play items. The Parish Council want to provide an enjoyable and safe play area for children of all ages and abilities. To achieve this they designated some of the existing equipment for repair and/or refurbishment, whilst previously removed, unsafe and irreparable equipment needs to be replaced with more modern alternatives.</p> <p>The Parish Council also want to install some additional inclusive items to cater for all abilities, which were overlooked when the playground was first installed.</p> <p>The rubberised safety surrounds all need cleaning and repair.</p> <p>The area is surrounded by trees which need to be lopped / cut back to improve the light and reduce damage to the equipment from sap etc dropping.</p> <p>Refurbish benches and picnic table.</p> <p>The Parish council decided to carry out all the refurbishment and tree lopping using its own available funds to pay the contractor and this part of the work is complete. In addition, all the defective equipment was removed.</p> <p>This RUCIS application is for the installation of the new equipment, namely:</p> <ul style="list-style-type: none">• 6 swings to replace the ones which were irreparable• A replacement climbing structure with adjacent agility trail to replace unsafe structures.• A new inclusive roundabout.• New basket swing and inclusive swing unit <p>Once completed, the aim is to give children living in Baginton and surrounding villages a safe, durable playground where they can continue to challenge themselves physically, enjoy some fresh air and exercise and socialise with other children.</p>									
Evidence of need:	<p>The area has deteriorated over the 20 years since it was installed which is very visual and H&S inspections showed some items to be a safety hazard; several items have now been removed. The community and surrounding areas were contacted via the Village website, newsletter, site signage and via a survey operating from the local shop. A total of 96 votes were cast indicating the type of equipment that playground users would like. Replacement of playground equipment is specifically mentioned within the Village ‘wish list’ submitted upon request from WDC Green Space Development Officer, Helen Hancox. The playground is specifically mentioned within the WDC adopted Neighbourhood Plan, highlighting that the 2011 Parish Plan identified it for refurbishment and expansion.</p>									
3 years accounts received?	<p>2019 - 2021 accounts have been received along with a recent bank statement for all accounts held (1st October 2021); this evidences sufficient cash reserves to meet the contribution stated on the application form.</p>									
Financial Performance; minus figure = deficit	<table><tr><td>Year ended</td><td>Year ended</td><td>Year ended</td></tr><tr><td>31/03/21</td><td>31/03/20</td><td>31/03/19</td></tr><tr><td>£4,290</td><td>£583</td><td>£4,892</td></tr></table>	Year ended	Year ended	Year ended	31/03/21	31/03/20	31/03/19	£4,290	£583	£4,892
Year ended	Year ended	Year ended								
31/03/21	31/03/20	31/03/19								
£4,290	£583	£4,892								
Available Funds (cash and reserves)	<table><tr><td>Year ended</td><td>Year ended</td><td>Year ended</td></tr><tr><td>31/03/21</td><td>31/03/20</td><td>31/03/19</td></tr><tr><td>£33,251</td><td>£28,961</td><td>£28,378</td></tr></table>	Year ended	Year ended	Year ended	31/03/21	31/03/20	31/03/19	£33,251	£28,961	£28,378
Year ended	Year ended	Year ended								
31/03/21	31/03/20	31/03/19								
£33,251	£28,961	£28,378								
Details of membership, fees etc:	<p>There is no charge for using the playground.</p>									
Details of usage:	<p>The Lucy Price Playground is used on a daily basis by the children of Baginton, children from surrounding communities and children who visit friends and family in Baginton. It is impossible to quantify numbers but as with all playgrounds, usage varies throughout the day from between zero to 10+ children on the park at any one time; it is especially busy after school’s finish at the end of the day, at weekends and school holidays. The playground caters for all ages, including sheltered areas for older children to socialise and for parents to gather while they supervise their children. There are 5 benches and a picnic table.</p>									
Details of Organisations equalities policies:	<p>The Playground is open 24 hours a day to all who visit. Baginton Parish Council operates an Equality and Diversity policy, the current version was published in May 2015 and is published on the following webpage: https://www.baginton-village.org.uk/policies-and-procedures. Highlights include:</p> <p>Introduction</p> <p>Baginton Parish Council is committed to providing the highest quality of provision and service and recognises that the implementation of an effective Equality and Diversity Policy is an integral part of such an approach. The Council, as a corporate body, has responsibilities as an employer, a service provider, and a public authority, but both members and employees as individuals also have responsibilities as well as rights.</p> <p>Our Commitment</p> <p>Baginton Parish Council understands its obligations under the Equality Act 2010. Baginton Parish Council is fully committed to its duty, imposed by Section 149 of the 2010 Act. Baginton Parish Council is committed to the principle of equal opportunities and declares its opposition to any form of less favourable treatment, whether through direct or indirect discrimination, on the grounds of the protected characteristics as specified in the Equality Act 2010.</p>									
3 quotes provided:	<p>Yes</p>									
Which of the Council's Corporate Priorities are met?	<p>Evidence</p>									
Reduce anti-social behaviour	<p>Playgrounds provide opportunity for physical activity and act as a focal point for members of the community to congregate and socialise. The project will provide new interesting play equipment for all ages and abilities which will help to reduce levels of boredom. This all helps to reduce anti-social behaviour.</p>									
Reducing obesity, particularly in children	<p>Playgrounds provide opportunity for physical activity for children; the project will provide new interesting play equipment for all ages and abilities which will help to reduce obesity within children.</p>									
Increase opportunities for everyone to enjoy and participate in sports, arts and cultural activities	<p>The project will deliver new play equipment to replace items lost over the years and some of this will have disabled access, for example, the new roundabout. This will increase opportunities for children to enjoy and participate in physical activity.</p>									

Engaging and strengthening communities

Playgrounds provide opportunity for physical activity and act as a focal point for members of the community to congregate and socialise. The project will deliver new play equipment to replace items lost over the years which will encourage more use and will help to further engage and strengthen the community.

Targeting disadvantage in rural / urban areas:

The nearest playgrounds are in Bubbenhall, Stoneleigh and Memorial Park in Coventry, all are approx. 2 to 3 miles away. For those members of the community without their own transport it is difficult to access these alternative playgrounds as bus services are very infrequent and there are no pavements to enable safely walking to them especially with young children.

Environmentally sensitive - “clean, green and safe”, for example; project includes energy efficiency and renewable energy technology

The Council have refurbished a substantial amount of the existing equipment to reduce scrappage, disposal and resource use associated with all-new equipment and safe surfaces.

Total cost of scheme (including VAT where appropriate)

£43,414 This is the net cost as the Parish Council will be reclaiming VAT from HMRC.

Funded by:

Status

Lucy Price Relief in Need Fund

£21,707 Approved

Total RUCIS

£21,707

equates to

50.0%

NOTE: The applicant hasn't committed to contributing to this project as they have already recently completed some repairs and refurbishing existing equipment totalling £11,925 (contractors invoices have been provided) and have earmarked funds for other works such as cutting trees back which surround the playground area and signage with emergency details

RURAL/URBAN CAPITAL IMPROVEMENT GRANTS APPLICATION FOR 9TH DECEMBER 2021 CABINET:

Applicant :	London and North Western Railway Society (LNWRS)		
Description of scheme:	<p>The purpose of the grant is to help the continuation and expansion of the Community Archive Hub; a facility designed to support local history and community groups in the digitising of their archive material and by placing material online. In essence, the Community Archive Hub is designed to support the role local groups and archives play in being keepers of community memory, promoters of social inclusion and as a sense of place. Grant funding is sought for the following:</p> <p>a) Repair the existing 42-inch rotary scanner which requires a new lens/glass; whilst every effort is made to clean drawings prior to being inserted into the scanner, as many drawings are 100 to 150 years old and have often been stored poorly, dust can be taken through the machine causing minute scratches.</p> <p>b) Purchase of an A3 Multi-Function Scanner & Colour Printer will provide an invaluable multilevel service to local community groups as its not only designed to accommodate a range of papers of up to 253gsm, but it can scan multiple double sided papers in one rapid operation. This will have a substantial impact on productivity, a major consideration in organisations where so much is done by so few. The specification allows a variety of printed material to be produced at a significantly lower cost than would otherwise be possible. This therefore enables a small community group to produce a range of publications in short production runs that might not otherwise have been economical.</p> <p>c) Purchase of a Synology NAS unit housing four internal 4TB hard drives; this equipment stores the digitised data generated during scanning and also acts as the server for the online archive.</p> <p>d) Purchase of a Synology Router to connect the Synology NAS unit to the internet so that members and the public can access the digitised data.</p> <p>e) Purchase of an A3 CZUR scanner which is sufficiently mobile to be taken to third party premises (local organisations and members of the public) so that the material (often valuable or personal) remains on the donor's premises when scanned.</p> <p>f) Purchase of an IT CompuCleaner Xpert - Electric Air Duster to help remove the dust and shards of paper found in very old drawings and documents; its other purpose is to remove particles of dust that have entered the inner area of the scanner's lens and mirrors.</p> <p>The Synology Router enhances the capabilities of the NAS unit to operate online. The two units together allows the records stored online to be shared to a very wide audience 24/7 as well as facilitating the ability of members to undertake collaborative projects. This ability in allowing access to the archive and other documentation via the internet enables people, who for a variety of reasons are not able to attend the centre, to contribute to the</p>		
Evidence of need:	<p>The initial project was derived from LNWRS members wishing to make better use of its facilities. LNWRS contacted over thirty community groups across Warwickshire to identify which groups could benefit by being given access to professional scanning equipment. The following organisations from within Warwick District agreed to partner with LNWRS:</p> <ul style="list-style-type: none"> • Kenilworth History & Archaeology Society • Leamington History Group • Rowington Records • Lapworth History Groups • Lillington Local History Society • Leamington & Warwick Model Railway Club <p>Since 2017 our partnership has continued by the above making use of the equipment, although COVID caused severe disruption to this process. The rotary scanner funded in part by the Warwick District Council (previous RUCIS grant) has been employed in scanning large drawings and maps. To date over 4,500 drawings have been scanned. In addition, a member donated funds to purchase an A2+ Bookeye 4 Professional Scanner, this scanner is designed to accommodate a range of material, such as non evasive scanning of delicate material or case-bound documents. The weight and size of this equipment means that it cannot be transported to third party sites. Both scanners are available to local history and community groups. All parties recognised the need for a lightweight book scanner, albeit only able to scan documents up to A3 in size. This is because members of the public and third-party organisations are very cautious in letting their material be digitised and the ability to do this on their premises increases enormously the number of people offering their material.</p> <p>Subsequent conversations have identified that being able to produce short runs of printed books would help all organisations. Publications would not only raise the profile of each organisation, but it would also help to disseminate the material throughout the community as well as help raise funds which in turn could finance other publications. LNWRS is the lead partner for this grant application as LNWRS will be providing the necessary expertise, accommodation, and other equipment. In addition, LNWRS is meeting the cost of maintaining both scanners in future years. No funding is being asked of the local history groups nor are they applying for a grant as part of this project. The list of partners given above is not an exhaustive list of organisations that would use the facilities of the Community Archive Hub as the facilities would be available to any other local group.</p>		
3 years accounts received?	2019 - 2021 accounts have been received along with a recent bank statement for all accounts held (1st October 2021); this evidences sufficient cash reserves to meet the contribution stated on the application form.		
Financial Performance; minus figure = deficit	<p>Year ended 31/12/22 £163.32</p>	<p>Year ended 31/12/19 £182.46</p>	<p>Year ended 31/12/18 £1,399.60</p>
Available Funds (cash and reserves)	<p>Year ended 31/12/20 £52,324</p>	<p>Year ended 31/12/19 £50,706.56</p>	<p>Year ended 31/12/18 £44,708.13</p>
	<p>NOTE: In 2020 (the last set of annual accounts) the annual costs of running the Society are £32,544 whereas their assets less liabilities are approximate £24,274. The Society has 'ring fenced' funds; donations and bequests made by members of the Society which can only be used for the purpose specified by the member when making the donation. Currently, they have £10,000, the balance of the monies from a deceased member; Jeremy Flegg. It is also the policy of the Society to write off the Library, Records and Relic purchases to current expenditure and accordingly they are held on the books at no value. The estimated replacement value for this material is: Library £20,000, Archives £60,000 and Relics £50,000.</p>		
Details of membership, fees etc:	<p>Members of the Society currently pay a subscription of £35 per annum. Members receive four newsletters and four journals each year with an occasional additional publication. Some members also make donations to the Society for specific activities or themes such as the scanning of documents too frail or large for LNWRS's equipment or for the purchase of archive material. Such funding is ring fenced and is identified in the Society's accounts as such. There is no charge for visitors to the Society's Open Days nor to the local community groups which use the Society's facilities. Members of the public wishing to access the digitised material can do so free of charge by becoming 'guests' for a given appointment.</p>		

Details of usage:

LNWRS was founded in 1973 to collect and disseminate information about the London and North Western Railway (L&NWR) and its successors. To help achieve its objective, the Society has been acquiring an ever-growing archive based at Kenilworth, currently some 25,000 catalogued items with approximately 21,000 photographs. The archive continues to grow apace as the National Railway Museum and other organisations and individuals donate additional material. In addition, whenever they are able, LNWRS purchase items at auctions. In addition to opening the Centre to the general public via Open Days, the Study Centre helps modellers, preservationists, historians and anyone interested in the L&NWR by operating an enquiry service. Since the Society received the support of Warwick District Council (previous RUCIS grant) in 2017, the Study Centre introduced and continues to:

- a) Provide a weekly 'Working Day' when volunteers from all organisations, can undertake work on developing and maintaining their archives
- b) Be used for supporting the research activities of the general public and members of all associated organisations
- c) Provide online facilities to store digitised archive material in order to enable members and guests to access the information
- d) Host meetings for modellers, talks and presentations and working groups focused on thematic subjects
- e) Be available to other groups for events
- f) Support the public and members alike if they wish to book a private appointment at the centre between the hours 10:00 to 16:00 Monday to Friday
- g) Provide monthly Open Days for the general public to attend to access the archives
- h) Provide the Signalling Record Society with storage facilities for its archives which also contains material relevant to Warwickshire as well as providing a meeting place
- i) Provide an online resource whereby queries are answered by post or electronically

Due to the purchase of the equipment funded by the RUCIS grant awarded in 2017, the number of visitors has substantially increased as local history and community groups resident make use of the facilities. The above services are available to the members of all groups, amounting to some 600 within the area governed by Warwick District Council.

Details of Organisations equalities policies:

The following are extracts from the LNWRS equality policy:
1.The LNWRS believes all persons have equal rights to participate in, have access to and be included in the Society's activities regardless of gender, race, colour, nationality, ethnic origin, religious or philosophical beliefs, health status, HIV status, age, marital status, parental status, sexual orientation, political beliefs or trade union membership, class, responsibility for dependents, physical attributes, ex-offender status as defined by the Rehabilitation of Offenders Act 1974, lack of formal qualifications where such qualifications are not formally required, or any other grounds which cannot be shown to be justifiable within the context of this policy.
2.The LNWRS is committed to promoting equal opportunities for all to participate in the Society's activities in the way the organisation is managed, and in our interactions and relationships with the wider community. The Society and its members will promote the principles of fairness and equality across all its activities.

3 quotes provided:

Yes - 21 quotes have been provided in total to cover the 3 quote requirement for the 7 different work aspects to the project.

Which of the Council's Corporate Priorities are met?

Evidence

Reduce anti-social behaviour

The Community Archive Hub:
• Provides a weekly 'Working Day' when volunteers from all organisations can undertake work on developing and maintaining their archives
• Supports the research activities of the general public and members of all associated organisations
• Hosts meetings for modellers, talks and presentations and working groups focused on thematic subjects
• Offers both the general public and members opportunity to book a private appointment at the centre between the hours 10:00 to 16:00 Monday to Friday
• Provides monthly Open Days for the general public to attend to access the archives

It's LNWRS' intention to engage with local schools and to develop programmes to engage with young people and, through various projects, introduce them to their community's history and culture whilst assisting them to acquire transferable skills.

By promoting an inclusive Community Archive Hub with multiple local interest groups and drawing Society members from 'out of area' it provides opportunities for anyone from the community to 'connect' with a diverse range of groups and individuals from the immediate community and wider. Also, this potentially contributes to developing a positive feeling of 'belonging' and 'ownership' towards the local environment and communities. This project will not only enable the continuation of the provision of facilities and resources to local history and other types of community groups, but it will also extend their capabilities. This all helps to reduce anti-social behaviour.

Increase opportunities for everyone to enjoy and participate in sports, arts and cultural activities

The establishment of the Community Archive Hub has, both directly and indirectly, helped to increase the numbers who participate in community conservation and other culturally related activities. Directly by using the Community Archive Hub facilities and indirectly through being able to access the digitised material either online or as electronic files stored on computers in educational establishments and libraries. The equipment purchased and repaired by the project will help to maintain and increase opportunity for everyone to enjoy and participate in cultural activities as follows:

- a) Maintain and increase the current level of access to professional digital scanning facilities for local history and community groups
- b) Increase the footfall of the centre by providing a new range of services derived from the provision of the A3 Multi-Functional Scanner / Printer
- c) Substantially increase the volume of digitised local archive material and place it online for access; the pandemic has seen this become of an even greater importance
- d) Safeguard the digital records of local history and other types of community groups
- e) Increase the potential for more local publications through the use of the A3 Multi-Function Scanner / Printer

Engaging and strengthening communities

As stated by National Archives (the official archive of the UK Government), archives help to build stable and prosperous communities with a strong sense of identity, they encourage well-being, and they provide opportunities for people to learn, explore and interact. Archives can help by keeping accessible records which support the democratic process through which they can help promote a better understanding of the social, political, and economic impact of past events and policies on their community. Through making information on relevant issues more readily available, by digitising it, people may become inspired to find out more which can lead to their becoming more active in their communities. The Society and its local partners are run by a wide range of volunteers from across the community and the Community Archive Hub will also bring together people from the memberships of various local groups whose interactions will help to cross fertilise and engage and strengthen the community.

Environmentally sensitive - “clean, green and safe”, for example, project includes energy efficiency and renewable energy technology

The principal benefit is reducing the need for the public and members to travel to the Study Centre to gain access to the archive material.

The Synology NAS Unit and Wireless Router enable volunteers to undertake a number of tasks from home. This includes working on collaborative projects and sharing information. These facilities, together with making use of conference calls via the internet, will reduce the need by volunteers to travel to the Centre. It’s anticipated that this will also facilitate the engagement of volunteers whose personal circumstances prevents them from physically attending the centre and participating in supporting their local community.

The project will also enable the purchase of an A3 Multi-Function Scanner/Printer; OKI, the manufacturer of the scanner, develops products in line with the International ENERGY STAR Program in order to conserve global resources and help prevent global warming. OKI’s LED technology saves energy and supports environmental protection. Its micro-capsule toner limits the energy consumed in printing. The deep sleep mode and eco mode reduces energy consumption when the printers are not in operation. OKI works to conserve resources in both its hardware and software development by making its products more compact, improving technologies for consumables, and continually improving printer drivers. The proprietary digital LED technology reduces the amount of plastic used in printers and makes them more compact. In addition, the duplex printing function of its printers reduces paper usage and the toner saving function reduces toner consumption and so lessens the impact on the environment. The page printers are designed to be able to separate the toner from the drum, which have different replacement schedules. This ensures full use of the lifespan of each drum and reduces possible waste.

Total cost of scheme (including VAT where appropriate)

£5,546 This is the gross cost as LNWRS will not be reclaiming VAT from HMRC.

Funded by:

Status

Organisations Own Funds

£1,009 Approved

Kenilworth Town Council

£100 Applied for; if the application is unsuccessful the project shortfall will be covered by LNWRS from their cash reserves. These funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Total RUCIS

£4,437

equates to

80.0%

RURAL/URBAN CAPITAL IMPROVEMENT SCHEME - 9th DECEMBER 2021 CABINET**APPENDIX 7****Summary of Financial Impact of Approving Scheme**

Scheme Description	TOTAL
<u>Original 2021/22 Budget</u>	£100,000
<u>4th November 2021 Cabinet</u>	
Norton Lindsey Community Pub - additional funds for the community shop project (outside the RUCIS scheme but RUCIS funds used)	-£36,794
<u>9th December 2021 Cabinet</u>	
Whitnash Town Council - proposed	-£18,164
Whitnash Windmill Petanque Club - proposed	-£5,269
Kenilworth Rugby Club - proposed	-£8,250
Myton Hospice - proposed	-£4,721
Baginton Parish Council - proposed	-£21,707
London & North Western Railway Society (LNWRS) - proposed	-£4,437
Total Remaining 2021/22 Budget	£658

Title: Developing a Digital Strategy for South Warwickshire

Lead Officer: Head of ICT

Portfolio Holder: Councillor Hales

Wards of the District directly affected: None

Summary

To summarise the current progress being made towards Digital Transformation and introduce a new Digital Strategy.

Recommendation(s)

- (1)** That the Draft Digital Strategy is accepted by Cabinet.
 - (2)** That a Digital Transformation Programme is initiated to deliver the outcomes identified in the Digital Strategy.
 - (3)** That a governance structure is adopted for the Digital Transformation Programme.
-

1 Background/Information

1.1 A Brief History of Digital

- 1.1.1 Throughout modern history, technological innovations have altered the way that people interact, share information and deal with the world around them. Every step forward has resulted in faster, cheaper and more accessible forms of communication that have been universally adopted as part of modern life. The past 25 years have been particularly turbulent times with disruptive new technologies completely altering the way people interact and see the world.
- 1.1.2 The growth of the internet, the proliferation fast and reliable mobile communications, the evolution of the mobile phone and computer technology are just a few examples of how unbelievably powerful devices have become both accessible and necessary components of modern life. In 1993 mobile phones were silver boxes that adorned most street corners but now, they're interactive screens that live in your pocket and do a lot more than just make calls. Technology has truly revolutionised our world.
- 1.1.3 Organisations have responded to this technological explosion by offering ever more immersive and innovative services to assist, entertain and inform a growing consumer market. Technology titans such as Apple, Microsoft, Google and Amazon have diversified from their roots and integrated themselves with people's lives in previously unimaginable ways; from the office PC that knows we're typing a letter, to smart speakers that can predict your musical tastes and re-order your weekly shop. Services have never been more accessible.
- 1.1.4 More recently, notions such as the "Internet of Things" have come to reflect the interconnected world that we now live in. Inanimate "smart" devices that communicate with each other (and us) have become common place and

increasingly important as providers aim to deliver better services, more reliably and effectively. Everything from the industrial control systems that run power plants to the light bulbs in people's homes have become digitally connected; wirelessly sharing information about every measurable element of their existence over time.

- 1.1.5 All of this interactivity and massing of data has created industrial scale operations for data analytics, or Big Data as it more commonly known. The willful sharing of digitally harvested information has the power to significantly benefit people's wellbeing and improve lives around the world. It has given companies greater insight into how their services are consumed and has provided the capacity to predict future needs with increasingly accurate models.
- 1.1.6 This tremendous insight however has also provided greater ability for companies to influence how people perceive the world around them, with both positive and negative outcomes. There have been numerous recent examples, but for every negative aspect there are equally positive outcomes. Global awareness of climate change for example has never been higher and that is in part thanks to social media and the ability for individual people to influence society through timely and targeted promotion.
- 1.1.7 The Public Sector hasn't been isolated from the march of technology. However in general this has been at a much slower pace than the commercial world, which is ultimately driven by what its market requires. Ambitious programs such as the e-gov paved the way for better public services but it's not been until recent years that public organisations have truly begun to embrace digital transformation, with varying degrees of success.
- 1.1.8 Some organisations have become digital leaders, embracing all that innovative technology can offer, whilst others have remained rooted to their past. There is of course no arbitrary route for "doing digital" but what is clear is that innovation and change are both inevitable and necessary.

1.2 Definitions

1.2.1 Within this report four key terms relating to digital are used:

- Digital: Applying the culture, processes, business models and technologies of the internet era to respond to people's raised expectations (Public Digital, 2018).
- Digitisation: the capture or transfer of information from an analogue format (such as paper, microfiche, video tape) to a digital format.
- Digitalisation: the creation or reimagination of a service to be delivered holistically using digital technology.
- Digital Transformation: using digitalisation as a continuous transformative force across an entire organisation.

1.2.2 Reference is also made to several enabling technologies. These are:

- *Customer Relationship Management (CRM) System*

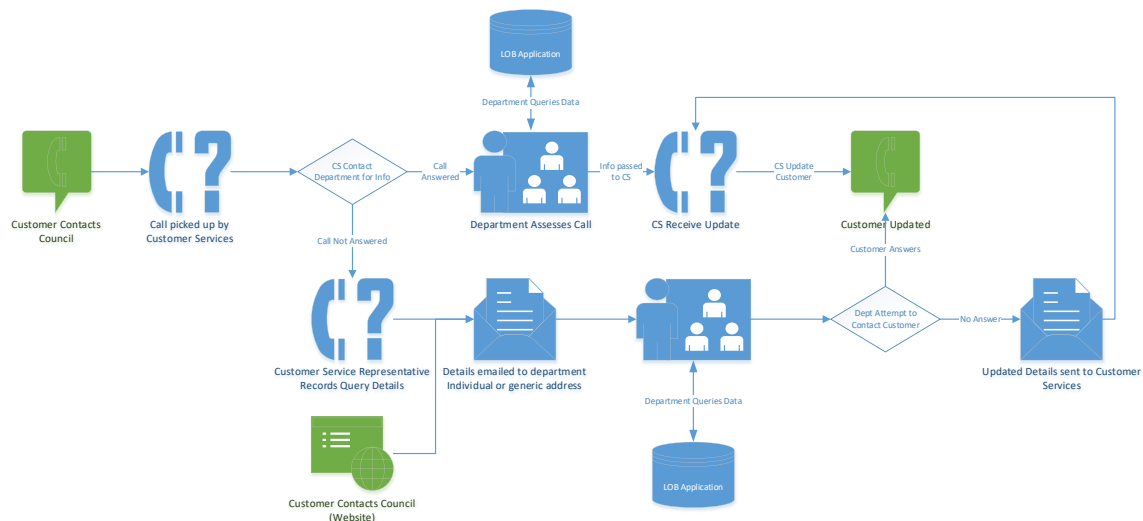
A CRM system can be used to manage the caseload created by customers contacting an organisation, direct a transaction or integrate with another application, across multiple contact channels. An example of a CRM's use is shown in figure 1.

Technology Example - What can a CRM do?

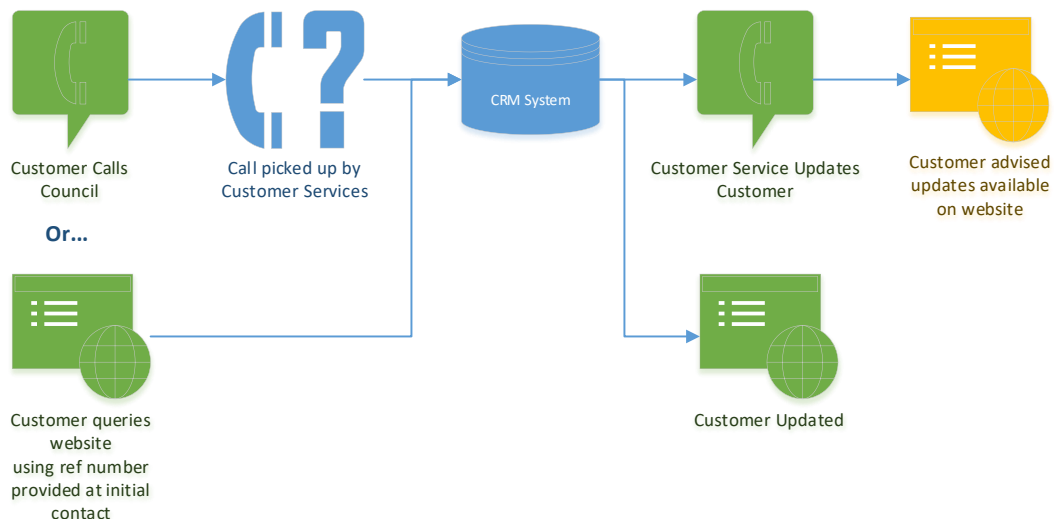
CRM technology has the capacity to significantly alter a customer's journey through a service, not only by providing a trackable interaction, but ultimately by providing additional understanding of who, why and how people access services. This is a key component of any digitalisation process as without traceability consistent multi-channel interactions and end-to-end online processes become impossible.

The example below shows two interactions seeking an progress update. The first is without a CRM, the second is with CRM technology in place.

Without CRM



With CRM



A CRM system includes basic case management functionality which allows jobs to be tracked across their lifecycle. With a CRM in place, multi-channel services all query a single source of information – the CRM database itself. Without a CRM, progress updates are a hotchpotch of trying to find the right person in the right department at the same time, with limited or no visibility

Figure 1 – Technology Example - Progress Updates with and without a CRM

- *Content Management System (CMS)*

A CMS is the software used to manage the creation and delivery of an organisations digital content. Web Content Management systems (as used by SDC and WDC) deliver websites and provide tools for non-technical users to create content through a friendly, word processor style, what-you-see-is-what-you-get interface, requiring no prior knowledge of web programming languages such as HTML.

- *Low Code Platforms*

Low code is a relatively new concept that has grown in popularity over the last decade. Low code systems provide the functionality for relatively novice users to create powerful apps (such as e-forms) in a “drag and drop” type interface, without having to know how they are coded in a traditional sense. This lessens the reliance on programming experts, but such skills can be brought in to further develop a process if warranted.

1.3 **How We Currently Do Digital**

- 1.3.1 WDC and SDC have quite different approaches when it comes to dealing with digital. Whilst both organisations have had a degree of success with the partial digitalisation of some services, neither has yet reached what may be considered as a position of digital maturity. This is simply a reflection of how digital has evolved within each organisation; both of which have significant potential.
- 1.3.2 At SDC, most of the resources to support digitalisation initiatives are focused within ICT. The Council has an extensive development team who have built several key solutions that are central to any digitalisation initiative. The Council’s CMS, CRM and online forms are all in-house, built by ICT.
- 1.3.3 Typically, an SDC digitalisation project will involve a service area contacting ICT or the Council’s Ways of Working team, and members of the respective teams will then work with the service area to build a bespoke solution that meets their needs. Due to the extensive skillset of the developers, in most instances any e-forms created are integrated to a back-office system. Integration with the website and overall website development is also handled within ICT.
- 1.3.4 At WDC, a different approach is taken as there are no centralised resources to undertake digitalisation initiatives. Typically, activities will begin with a service area identifying a requirement or opportunity and resources from ICT may come into the project alongside web-design resource from the Communications team later in the implementation. Like SDC, projects tend to be service area based, but each project can continue to evolve independently.
- 1.3.5 WDC’s key systems which directly support digital delivery are also independent. The Council’s CMS and low code e-Forms package are provided by Jadu, but an alternative e-forms and customer portal solution also exists in the Council’s Arcus platform, which is built on the Salesforce CRM. Jadu also has a CRM module, but this is not currently licensed, which limits the capabilities of the low-code e-forms module.
- 1.3.6 Access and uptake of digital services at both authorities is currently organically grown. Customers are given the choice of multiple channels, but no ongoing initiatives are employed to encourage the adoption of online services. Both Council’s make use of a range of social media outlets such as Facebook, Twitter and LinkedIn, but these are not used as two-way communication tools.

1.4 Why Digital Transformation is Important

- 1.4.1 Both WDC and SCD face extremely challenging futures. Table 1 shows a basic analysis of some issues facing both authorities and whilst not explored in great depth, the factors are all significant. However, both Council's financial sustainability is the most significant risk as if this is not addressed, it could undermine the very existence of both SDC and WDC in the medium term.
- 1.4.2 For each threat, a digital opportunity is also presented. This demonstrates the potential importance of digital as a transformative force that can actively address the challenges both authorities face.

Threat	Opportunity
<i>Political</i>	
<p>Local Government Re-organisation may see the demise of district level councils in favour of unitary organisations.</p> <p>It may be seen that digitalisation is a threat to resident's access to services or as a back-door method of reducing service quality.</p>	<p>DLUHC, GDS and the LGA are actively encouraging government at all levels to embrace digitalisation as a means of improving or maintaining standards of service against challenging operational backdrops.</p> <p>Creating an extremely efficient digital organisation can contribute positively to people's opinion of their local council, raising the council's value to residents.</p> <p>Digitalisation opens the delivery of council services to democratic scrutiny. Services can be designed in an open and collaborative way and their success ultimately measured in an agreed format.</p> <p>All service users can benefit from the effects of digital service design, regardless of their preferred service channel.</p>
<i>Economic</i>	
<p>The Medium-Term Financial Strategies of both WDC and SDC predict significant shortfalls over the next 5 years.</p> <p>Funding for local government is increasingly short term, the requirement to bid for specific initiatives is increasing as is the need for alternative funding.</p> <p>Demand for services and the costs of supporting them is generally increasing and the Council has limited capability to deal with this in the medium term.</p> <p>The financial health of the organisations may prevent adequate investment in digital initiatives with a high up-front-cost.</p>	<p>Effective Digitalisation will generate significant, long term financial savings as a direct result of process change; ultimately, processes should be faster, more efficient and consistently successful.</p> <p>Having effective digital council services, a digitally skilled workforce and insight into community needs can all help to attract external investment and improve the areas overall economic outlook.</p> <p>Digitalisation initiatives should be supported by a comprehensive business case that outlines the needs and the anticipated benefits. These benefits can be carefully monitored to ensure both quality and financial returns.</p>
<i>Social</i>	
Public confidence in Council's to deliver	The Council can set standards that all

<p>services digitally has been historically damaged by half-hearted transformations that do not generate promised outcomes.</p> <p>An entire generation is now accessing Council services who have never known life before the internet and expect to interact with the Council on their terms.</p> <p>Local authorities can be plagued by “we’ve always done it that way” or similar mentalities that inhibit change and prevent the development of truly transformational solutions.</p> <p>Legacy delivery methods for some services are exclusive to some customer segments in a modern society. The notion that all people will be able to access services between 9am and 5pm, Monday to Friday is a relic of the past and does not fit with 21st Century life.</p> <p>There is misconception that the demographics of some areas will not lend themselves to using digital services.</p>	<p>newly digitalised services will work first time, every time and introduce a cycle of continuous improvement. This will help to earn the trust of our communities by producing services that they want to use and have confidence in.</p> <p>The forthcoming merger of Council services will provide the best opportunity to naturally undertake a digital transformation programme – designing services from the ground up with a digital perspective in mind.</p> <p>Digitalised services, through their very design open opportunities to improve how services are delivered and to work beyond the traditional 9am to 5pm boundaries. Well-designed, integrated customer journeys and interactions can fulfil a huge role in modern society.</p> <p>Society has become more accepting of online services. In customer segments that do to traditionally embrace being online, the cascade effects of digital service design will still offer them improved services.</p>
<i>Technological</i>	
<p>There is limited understanding of the technology required for digital delivery outside of ICT and this technology is always changing.</p> <p>It is very easy to buy tailored solutions that meet the specific needs of one part of the organisation, but this comes at great expense and potentially to the detriment of other areas.</p> <p>There is significant scope for technology products to go wrong or for investments to be made that do not deliver the expected outcomes.</p>	<p>Digital transformation presents the opportunity to empower our staff with the skills and knowledge required to make better use of the technology they have and to imagine new solutions using future technology they could have.</p> <p>Digital transformation seeks to create reusable technology solutions that can be shared across multiple areas, to meet common needs in an effective way. With the forthcoming service transformation, massive opportunity exists to de-duplicate services and re-invest in better solutions for the long term.</p> <p>Each digital initiative can be carefully managed to ensure that what’s required is understood and that the solutions introduced meet or exceed this need. Where failures do happen, we will learn quickly and using as much “off the shelf” technology as possible will limit the exposure to expensive issues.</p>
<i>Environmental</i>	
<p>Climate Change represents a significant threat to the world and the computational requirements to underpin digitalisation along with the supporting facilities will all require massive amounts of power.</p>	<p>Effective digitalisation and transformation within the Councils could offset the impacts of datacentre generated carbon emissions by a huge degree and the environmental credentials of any underpinning service provider could also</p>

Some digitalisation programmes can result in the dispersal of CO ₂ emissions to other less efficient sources.	be scrutinised to minimise and limit and direct impact. Services should be designed for both operational and environmental efficiency. For example, promoting the use of electronic communication over printed paper, the use of smart sensors within buildings to limit energy usage or the continued virtualisation of meetings to avoid travel.
<i>Legal</i>	
Heavy reliance on digitalisation could have data protection implications should the authority ever be subjected to a malware intrusion that impacts on the confidentiality, integrity or availability of data. The Council's workforce is heavily unionised. Digitalisation may be seen as a threat which could result in action.	Digital Transformation presents the opportunity to fundamentally redesign services with privacy and security as a prime consideration; rather than being an added extra, these considerations can be at the centre of what we do. Digitalisation can make processes more efficient. A potential consequence of this is that staff are released from mundane and robotic activities, giving them more time to use their skills on tasks which may be of greater benefit to our communities long term. Digitalisation can also potentially mitigate some staff pressures when resources are limited or reduced and facilitate a more flexible use of the workforce.
<i>Table 1 – Basic PESTEL analysis of factors affecting WDC and SDC</i>	

- 1.4.3 It is an unavoidable fact that both Councils must make significant changes if they are to remain sustainable for the long term. Digital Transformation, whilst not a silver bullet for all Council problems, does represent a significant opportunity to fundamentally review and improve how the organisations currently operate and contribute towards financial stability, whilst also addressing other challenges.

1.5 **Internal Issues We Face**

1.5.1 ***Drive for Digitalisation***

Neither Council currently has an adopted Digital Strategy, which is reflected in the achievements of each to date. Beyond the immediate delivery of e-forms on each Council's website, development towards digitalising services is relatively limited. Some examples of progress do exist, but these are isolated and not typical of the wider Council.

There is no active plan or palpable ambition to take digital forward. Initiatives which are led by service areas may have success within their own limited scope and likewise, projects led by ICT may have some impact, but this will only be for a short time. For digital to truly affect transformation change, leadership and ownership must come from the top, at a strategic level.

1.5.2 ***We've Always Done It That Way...***

Possibly the most damaging words any advocate for change will ever hear, but which encapsulate the problems both WDC and SDC face when initiating change. Both Councils have examples of past digitalisation initiatives that have met with resistance.

Change Management is a problem in many local government settings, but our current working methods simply exacerbate this. We don't actively cultivate an environment where change is normalised, where experimentation is encouraged or where challenge to "the norm" is readily accepted. Effective digitalisation empowers staff to challenge what they do and encourages experimentation. Where initiatives fail, the failure is fast, lessons are learnt and the service moves on quickly. This is a significant cultural shift that will not become embedded without encouragement.

1.5.3 ***Resources to Support Digital Transformation***

In a typical digitalisation project, specialist business analysis staff will work with teams to evaluate how a service is delivered, objectively and robustly challenge it and then redesign the processes from a digital first standpoint. Input to the process is taken from all stakeholders; from the customer who uses the service to the driver who delivers the final leg.

This service design methodology is well documented and championed by the Government Digital Service. Unfortunately, neither Council currently has capacity to complete this type of work.

Equally, the co-ordination of digitalisation projects (and programmes) is a massive undertaking. The number of moving parts and interdependencies to keep track of is not something that can be done alongside an officer's day-job, particularly for larger transformation programmes. Yet this is currently what happens and neither council has dedicated project management resource that is tied to digital transformation.

We cannot commence a period of significant change, that requires tremendous amounts of transformation, without having sufficient resource to support it. To do so, will result in failure or significant expenditure that either generates limited improvements or potentially makes things worse.

1.5.4 ***Complexity of Supporting Systems***

Both WDC and SDC operate a significant number of legacy line-of-business applications. Some of these applications despite their age remain supported by the supplier and are widely used within the local government space. But this does not mean they will be fit for use within the South Warwickshire Council of the future or adequately provide for services now.

Table two identifies the major line of business applications in use by services at both Councils.

Many of systems in use were introduced before digital was an area of interest for local authorities. As a result, some legacy systems can be extremely inflexible and often software providers will not support any kind of integration or online service presence unless it is using add-on software they have produced. Whilst this does sometimes solve an immediate problem, it ultimately furthers the Council's reliance on a particular platform and makes additional enhancement even more difficult.

Service Area	Warwick DC	Stratford DC
Revenues and Benefits	Civica	Civica
Housing Services	MIS Active H	Uniform Arbitra
Planning and Building Control	Idox Accolade	Idox Uniform
Customer Services	Cisco Telephony No CRM	Mitel Telephony In-House CRM
Regulatory Services	Civica APP Arcus	Idox Uniform
Legal Services	NA	Iken
Democratic Services	CMIS	Modern Gov
Elections	Express	Express
Finance	Tech One FMS	Civica Financials
GIS	GGP	ESRI
Website	Jadu CMS	In-house CMS
Document Management	Multiple application specific vendors	Multiple application specific vendors
Payments	Capita Allpay	Capita Allpay
BACS DD	Bottom Line e-Pay	Pay Gate
LLPG	Idox Accolade	Idox Uniform
Asset Management	Active H	Idox
Licensing	APP	Uniform
Payroll and HR	iTrent	iTrent Tempus
Carparks	Chipside	Chipside
Document Capture	Adhoc	Kofax
<i>Table 2 - Major Line of Business Applications in use at both Councils.</i>		

Figure two shows the impact this currently has on services provided from WDC's website which is supported by no less than 12 different systems. The situation is similar at SDC which also makes use of information and portals from several different line of business applications.

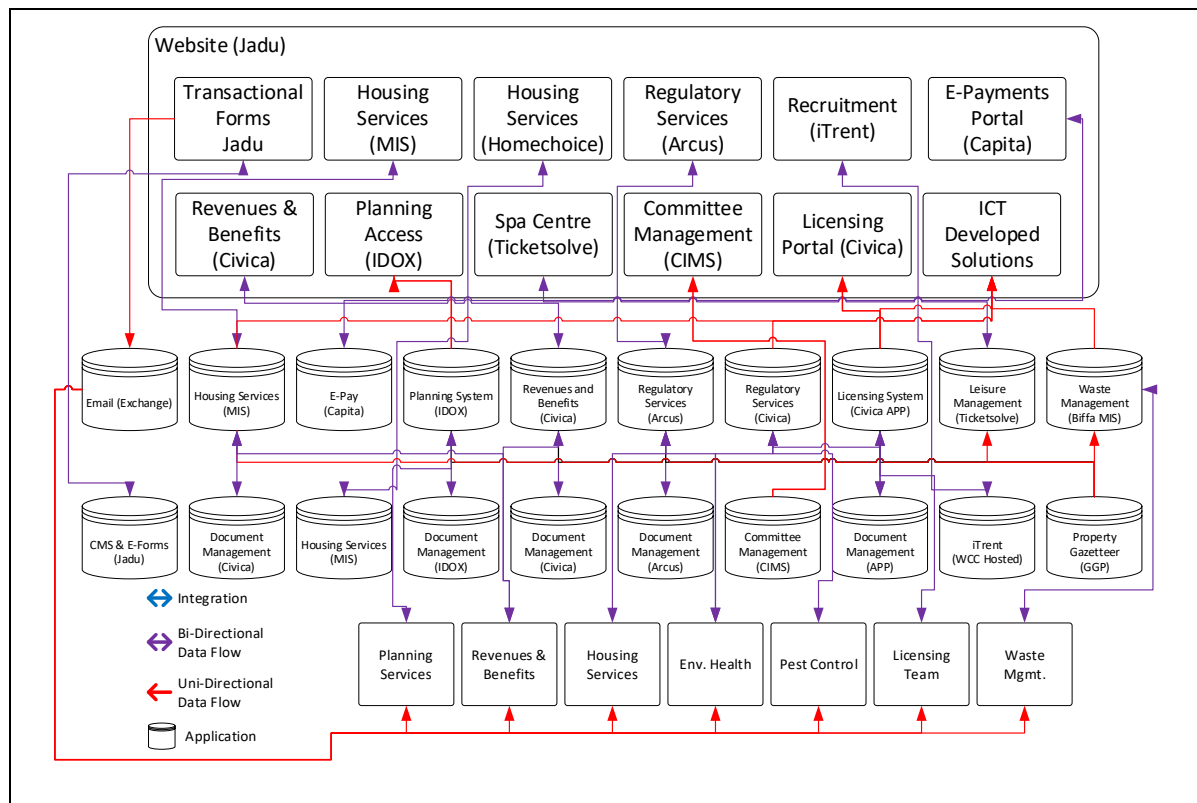


Figure 2. Supporting Systems

The diagram shows some of the systems currently supporting WDC's website. As shown, this is a complex set of interactions and whilst efforts have been made to ensure these systems appear as a part of WDC's website, they are not fully integrated. SDC's web-presence is similarly complex with multiple line of business applications supporting the website's delivery.

1.5.5 **We Can Do Better**

Both WDC and SDC identify a core need to deliver excellent services for the communities they serve. This is listed in both Council's corporate plans as a strategic priority and as service providers, we have a responsibility to follow this commitment through.

Our current digitalisation efforts are largely surface level. In some instances, they would be better described as digitisation efforts as all we have achieved is creating better ways to capture information in a quasi-electronic format. WDC's website for example has 144 e-forms deployed yet 91% do nothing more than generate an email. Many digital transactions still ultimately result in human intervention and very rarely is a process fully electronic from start to finish.

Furthermore, the siloed and unstructured nature of digital development means that services previously could make significant investments in solutions which meet their specific needs but fail to address a wider corporate requirement. Or in some instances, that wider need is recognised, but a structured plan to address it is not developed.

2 Alternative Options available to Cabinet

2.1 Allow Service Areas to Direct Their Own Digital Journey

- 2.1.1 This option is essentially continuing as is without adopting the Digital Strategy. Service areas within the Council will continue to identify digital opportunities as needs develop or as suppliers market new or improved solutions to them. Some improvements may be made, but ultimately this will be on an unplanned, ad-hoc basis. The functionality of systems will continue to be replicated and no meaningful improvements to efficiency or effectiveness are likely.
- 2.1.2 Given the pressures that each Council faces, the desire to move forward with shared services, the undeniable need for more efficient and effective service delivery and, the limited progress that has already been made by adopting this approach, this is not seen as a viable solution.

2.2 ICT Lead a Harmonisation Effort

- 2.2.1 The adoption of the strategy would be accepted, but ICT would take the leading role in trying to co-ordinate and develop a digital future for the Council.
- 2.2.2 Through the work of the Transformation Steering Group, the initiatives of each service area would be centrally co-ordinated, procurement or development of new or improved systems would be considered and carefully planned for implementation. Resourcing responsibility would rest with each service area and efforts would be made to reduce the number of systems used across the Council with duplicate functionality.
- 2.2.3 A proposal of this type would go some way to addressing the Council's digital needs, but at best it would deliver limited benefits and at worst, fail all together. This is not because ICT or the Transformation Steering Group lacks the skill or desire to conduct such a programme, but simply because digitalisation initiatives would always be seen as an ICT project. As such, they would always suffer from the same issues as many other ICT lead changes:
- Perception of digitalisation being done *to* a service rather than *with*;
 - Lack of service ownership;
 - Lack of service engagement;
 - Technological window dressing to old processes; and
 - Failing to embed changes once ICT move on.
- 2.2.4 ICT may be able to improve some processes and make some customer interactions more efficient, but ICT lacks the stature to embed real change within the organisation. The best digital transformations have leadership from the very top of an organisation down (figure 3). It is therefore not recommended that ICT alone, leads the digitalisation initiatives of WDC and SDC.

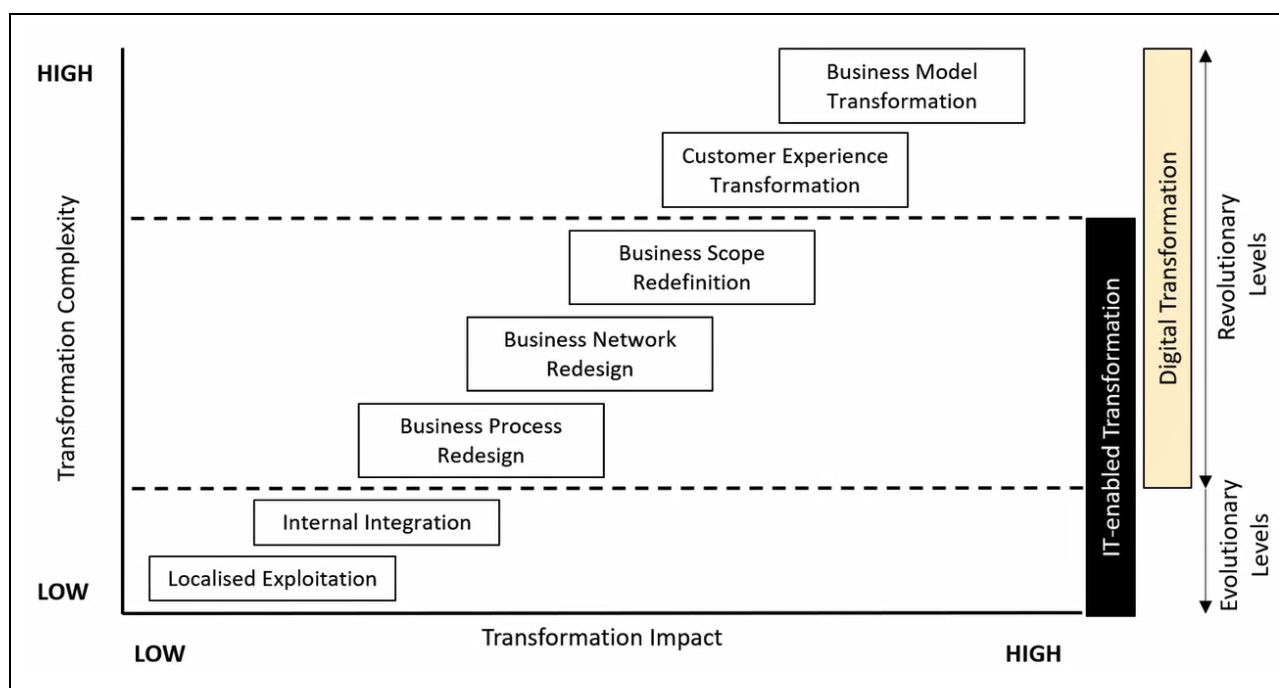


Figure 3 – Positioning Digital Transformation. Ismail et al (2017).

In 2017, work by Ismail et al. attempted to identify the transformation impact of digitalisation initiatives based on how they were led. Relatively simple improvements could easily be achieved by ICT enabled transformation, but truly revolutionary transformation had to be led from the top of the organisation. ICT would simply not be enough to transform customer experience or fundamentally alter how a business operated.

3 Consultation and Member's comments

- 3.1 This report was circulated to the Joint Advisory Steering Group prior to ascension to cabinet. The Portfolio Holder for Transformation was also consulted.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

- 4.1.1 There are no Legal/Human Rights implications to this proposal however the subjects discussed may individually have implications at a later date.

4.2 Financial

- 4.2.1 The Digital Strategy seeks to identify opportunities to support the Council's long term financial stability. This report however does not quantify the financial implications for the whole strategy as each suggested work item has several potential solutions.
- 4.2.2 Should the overall strategy be agreed, a workplan for each identified stream will be completed together with a fully costed individual business case which can be considered by an appropriate body (see 6.3 – Governance Arrangements). It is important that this is considered, as the Digital Strategy itself will not save money.

- 4.2.3 The required savings will come from efficiencies within the service areas that benefit from the outcomes of the digital initiatives. As such, these benefits will need to be carefully considered and tracked throughout their lifecycle and will require the support of each dependent service area. Potential financial goals are illustrated in Table 3, which offer some basic measurements of efficiency and exhibit how the outcomes of the digital strategy can align to them.

Goal	Measure	Alignment
Continued cost management	Cost per transaction.	<p>Projects within the Digital Strategy will allow comprehensive cost measurement for transactional components throughout the lifecycle of an event. Reducing the cost of transactions which create no value to the council or customer will reveal where improvements can be made.</p> <p>The comprehensive design of frictionless, digitally based services will allow efficiencies to be identified in existing processes, that once improved will enable reduced costs.</p>
Maximise income earning opportunities	<p>Percentage of chargeable services available online.</p> <p>Income from tradeable services by channel.</p>	<p>Digital solutions can facilitate the selling of Council Services 24x7x365. Traded services such as pest control appointments, parking permits, garden waste collections, etc. should be capable of completion entirely online, with no back-office interaction.</p>
Seek best value for money	Cost per transaction by channel	<p>The development of processes from a digital first perspective will facilitate the use of automation technologies, integration of systems and the reduction of wasted effort.</p> <p>Equally, the availability of rich information that can be readily analysed will give much more visibility of how the Council's financial expenditure affects service delivery</p>

Table 3 – Illustrative Balanced Scorecard Extract for Financial Implications

The examples provided illustrate how the adoption of the Digital Strategy could ultimately assist the Council to meet its financial challenges. Whilst the strategy itself will not generate any savings, by thoroughly examining and costing how services are delivered, digitalisation can be used as an effective method of cost management and asset maximisation.

4.3 Council Plan

4.3.1 Within Warwick District Council's Business Plan there are several relevant priorities:

- Maintaining or Improving Services
 - Focusing on our customers' needs
 - Continuously improving our processes
 - Increase the digital provision of services
- Financial footing over the longer term
 - Seek best value for money
 - Better return / use of our assets
- Transforming Services

Transforming of the Council's working practices and business processes, utilising technology and enabling digital services to improve the customer experience and access, and reduce costs.
- Digital Strategy

With WDC's Business Plan, the Digital Strategy is specifically listed as a supporting document.

4.4 Environmental/Climate Change Implications

- 4.4.1 The Digital Strategy seeks to identify opportunities to support the Council's environmental and climate change policies. However, it would not be possible to quantify the potential environmental or climate change implications for the whole strategy as each suggested work item has several potential solutions.
- 4.4.2 As such, when each item on the Digital Strategy is considered, individual assessments of the environmental and climate change implications will be completed.

4.5 Analysis of the effects on Equality

- 4.5.1 The Digital Strategy seeks to identify opportunities to support the Council's drive towards equality and its policies. An example of this is shown in figure four. However, it would not be possible to quantify the potential equality implications for the whole strategy as each suggested work item has several potential solutions.
- 4.5.2 As such, when each item on the Digital Strategy is considered, individual assessments of the equality implications will be completed.

SEVERELY MENTALLY IMPAIRED APPLICATION FORM

PART A – BE TO BE COMPLETED BY/ ON BEHALF OF THE APPLICANT

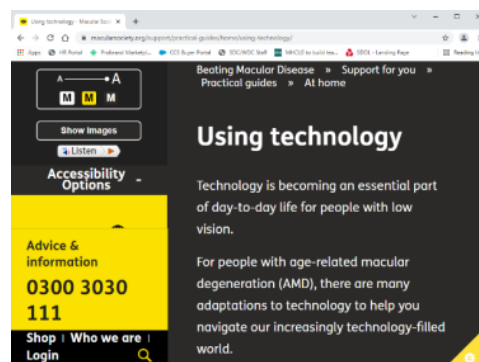
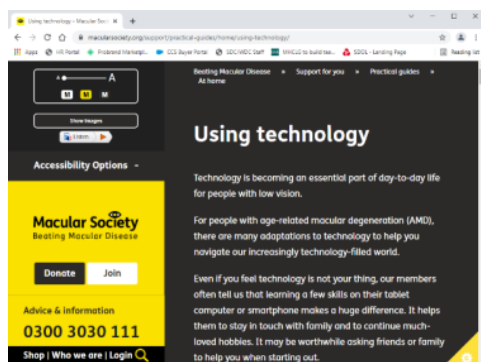
Name: [Redacted]
Date of birth: [Redacted]
Address: [Redacted]
Telephone Number: [Redacted]
Email address: [Redacted]
Council Tax account reference number: [Redacted]

I declare that the applicant is entitled to (but not necessarily receiving) one of the following

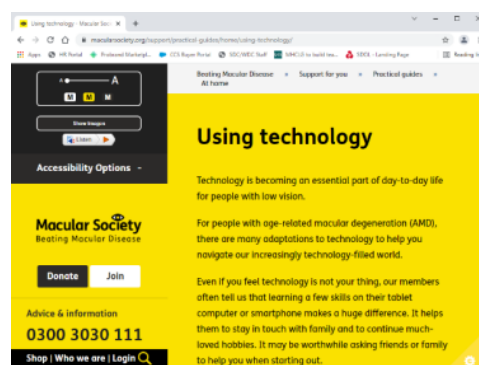
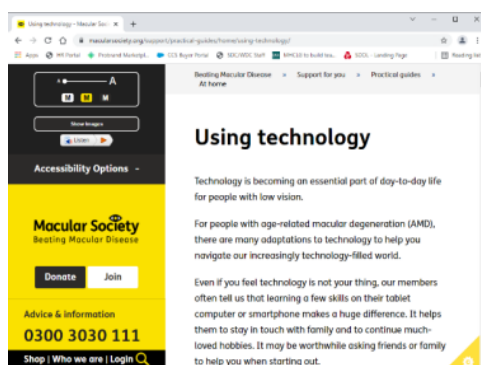
The Fight For Sight organisation's website offers a simulator to show basic effects of visual impairments. On the left is WDC's Severely Mentally Impaired application form when viewed through the eyes of someone with severe macular degeneration. On the right, is the same form viewed through the eyes of someone with cataracts. Areas of the form that may require completion are indicated in bright green – this is not something that would be shown on a printed copy of this form and has been superimposed to highlight the potential issues.

This form is presented as a PDF and as such, doesn't benefit from many of the accessibility options that it would do if it were presented as a properly accessible web form. Such as...

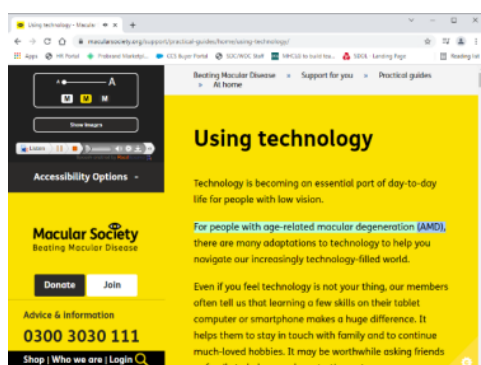
Variable Text Size and Image Toggling...



High Contrast Options...



Screen Reader Compatibility...



Try it at <https://www.macularsociety.org>

Click on the accessibility options, followed by Listen.

In this example the sentence being read is highlighted in green and the word is highlighted in blue. Each highlighted item moves along the page as its read.

On a form, as a user progresses through it the name of each field could be read out, something not possible on some types of PDF form.

Figure 4. Examples of PDF forms and accessibility issues.

PDF forms have been widely used as a means of capturing data but unless properly created, they can introduce significant accessibility issues.

Efforts to digitise data capture should always consider accessibility first and in order for any digitalisation initiative to be successful, users have to be able to access the services they require in a way that is accessible to them.

4.6 Data Protection

- 4.6.1 There are no data protection implications for the actual Digital Strategy. However, each initiative connected to the Digital Strategy will potentially have implications which will be considered when appropriate.

4.7 Health and Wellbeing

- 4.7.1 Externally, there are no health and wellbeing implications for the actual Digital Strategy. However, each initiative connected to the Digital Strategy will potentially have implications which will be considered when appropriate.
- 4.7.2 Internally, a key component of the strategy is the empowerment of staff to become a part of the digital journey, to build their skills and build confidence that they can affect and influence change within their services. Some of the potential benefits are noted in table four.

Goal	Measure	Alignment
All staff are properly trained	Percentage of staff who feel they have the digital skills they need.	Implementing the Digital Strategy is a significant business change that will require staff training and support. A regular, cyclic review of staff ability will contribute to improved services and all other measures utilised.
All staff have the appropriate tools	Percentage of staff who feel they have the correct tools to do their job.	The Digital Strategy will facilitate staff becoming more effective within their role and expand their knowledge. A regular, cyclic review of staff satisfaction with systems will contribute to improved services and all other measures utilised.
All staff are engaged, empowered and supported	Percentage of Staff who feel they have a voice in digital transformation.	Using the Digital Strategy to support change will help staff build confidence and encourage development of digital skills. Staff should feel empowered to suggest changes and identify opportunities in a supportive environment. A regular, cyclic review to identify skill gaps, and assess engagement could be a useful measure of how engaged staff are.
Continuously improve our processes	No. of Customer Complaints by Service Area	Analysing customer complaints by service area allows the Council to see how it is performing and if customer are unhappy, find out why. This facilitates continual improvement within both services that have not been subject to digital transformation and in areas that have, but still require improvement.

Table 4 - Illustrative Balanced Scorecard Extract for Innovation and Learning
The examples provided illustrate how the adoption of the Digital Strategy could ultimately have a positive impact on staff's health and wellbeing. Whilst the strategy itself will generate significant change, a key component is involving staff with this change and equipping them with the skills to participate in the transformation.

5 Risk Assessment

5.1 Services continue to invest in siloed technology

This risk describes the likelihood that services will continue to invest in siloed technology that only meets the needs of their service area.			
As Is		With Recommendations	
Likelihood – High	Impact – Medium	Likelihood	Impact
Has occurred within the past 12 months.	<p>Expensive investments are made in “one trick pony” technologies.</p> <p>Financial resource that could address a wider need are exhausted.</p> <p>Systems that duplicate functionality are introduced adding unneeded costs.</p> <p>Complexity of systems remains high.</p>	Low	Low
Recommendation Impact	Adopting the Digital Strategy alongside other forms of resource management will significantly reduce the potential for services to continue working in isolation.		

5.2 Failure of Leadership to embrace and push digital

This risk describes the potential of the Council’s leadership to not fully embrace digital and its full implications, which in turn will undermine the confidence of staff and limit the success of any programme.			
As Is		With Recommendations	
Likelihood – High	Impact – High	Likelihood	Impact
Has occurred within the past 12 months.	<p>Leaders may not be challenged to embrace digital within their service.</p> <p>Staff confidence will be eroded.</p> <p>Leadership may be seen as applying “do as we say, not as we do” logic.</p> <p>Digitalisation initiatives will take longer or may fail to overcome resistance.</p> <p>The programme will not be seen as corporate imperative.</p> <p>The return on investment may not be realised.</p>	Medium	Medium
Recommendation Impact	Adopting a strategy for Digital Transformation is a clear signal that both Council’s are serious about their ambitions and expect services to deliver. Ensuring that all leaders are challenged to play their part in digitalisation, from the top down, will help to mitigate resistance and compensate for areas where buy in may not be present entirely. The strategy also describes some key projects and quick wins in these areas will help to cement that change can be successful and empower staff to challenge more.		

5.3 Failure to invest in solutions

During times of financial hardship it is often tempting to reduce expenditure on items that are seen as non-essential. Digital Transformation is an expensive task but the risk of underinvestment can actually make situations worse.			
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As Is		With Recommendations	
Likelihood – High	Impact – High	Likelihood	Impact
Has occurred within the past 12 months.	<p>“Make do” solutions which don’t optimise delivery.</p> <p>Focus on cost cutting rather than a balance of quality/efficiency.</p> <p>Investment in new technology to support more effective service delivery may be limited.</p> <p>Return on investment may be below expected outcomes.</p> <p>Legacy solutions may be maintained further due to short term replacement costs.</p> <p>Staff with the right skills may not be available.</p>	Medium	Medium
Recommendation Impact	Each proposal which is part of the Digital Strategy will be accompanied by a comprehensive business case. These will fully describe the investment required, the reasons why and the anticipated returns.		

5.4 Inability of ICT to resource projects and support services

This risk describes the impact of ICT being unable to provide suitably skilled and knowledgeable resources to other service areas when considering the implementation of a new solution, undertaking a project or designing new processes.			
As Is		With Recommendations	
Likelihood – High	Impact – High	Likelihood	Impact
Has occurred within the past 12 months.	<p>Over-reliance on contract resource with significant additional cost.</p> <p>Inability to advise and effectively engage with services to describe their ICT needs.</p> <p>Potential procurement of inappropriate solutions through poor specification design.</p> <p>Inability to effectively support change, resulting in the introduction of “surface level” improvements that are not long term.</p>	Medium	Low
Recommendation Impact	The Digital Strategy recommends the formation of a dedicated digital team. Having the resource to properly support services as they go through digitalisation initiatives will significantly improve the likelihood of on time delivery within their anticipated budgets. This is a necessary undertaking if the Digital Strategy is to have any hope of succeeding.		

6 Conclusion/Reasons for the Recommendation

6.1 Adoption of the Draft Digital Strategy

- 6.1.1 Strategy is the beginning of any process as it sets out the objectives of an initiative at a strategic level. In this instance, the Digital Strategy (appendix 1)

sets four overall objectives:

- Delivering Excellence in Digital Services;
- Digital Services by Design;
- Digital Communities and Place; and
- Our People and Priorities

Each of these objectives centre upon the effective and efficient delivery of the Council's services and using our position within the community to improve the lives of those we serve.

- 6.1.2 Delivering Excellence in Digital Services focuses on how the Council will provide consistent, reliable and efficient services that put the customers needs at the centre of what we do. This theme is intended to dramatically increase the number of successful outcomes that customers can reach through on-line services and without the need for staff to intervene. This is empowerment of our communities to do more.
- 6.1.3 The proposed close involvement of actual customers in how we design services is also a dramatically different way of thinking and fundamentally shifts the focus from internal to external. When executed successfully, not only does this have the potential to unlock significant savings for the Council, but will also provide a much higher quality of service; providing solutions that are accessible, easy to use and most importantly, actually work.
- 6.1.4 Using Customers to inform our design is also a leading feature of our second theme, Digital Service by design. This internally focused theme seeks to fundamentally address how services are delivered by taking a much deeper dive into how services operate than any previous initiative.
- 6.1.5 Through this theme, we will ensure that not only are the benefits of integrating the two Council's realised from a technical perspective, but also exploited as an opportunity to rebuild services as if we were a new Council. This is exactly what South Warwickshire will be; a new Council with an opportunity to do things differently, where simple and effective defeats a legacy of complex and inefficient.
- 6.1.6 Our third theme of Digital Communities and Place recognises the Council's unique positioning within the South Warwickshire area to influence the digital futures of our communities. As a non-unitary authority, there are some limitations to what we may be able to do, but the strategy proposals recognise this and allow us to work within our means, collaborating with partner organisations to assist and promote rather than taking sole responsibility.
- 6.1.7 This theme also deals with how we can help to reduce digital exclusion but it should be noted that no part of the Digital Strategy champions digital as a singular means of accessing a Council service. Our communities will continue to be able to reach us via a means that they feel comfortable using, but they will also ultimately benefit from the efficiencies of digital delivery, regardless of their personal capabilities.
- 6.1.8 Our People and Priorities theme is again, internally focused on how we can improve our digital maturity and support other priorities which are active within the Councils. Empowering our people to champion transformation is a very big cultural shift, but this is the kind of thinking we will need to thrive in the future and can become an integral part of the Council's workforce strategy.
- 6.1.9 Making better use of our data is also a key initiative as currently both Councils

have masses of information which is trapped in legacy systems and cannot be used to inform decisions. This is our data and we should be able to make use of it on a day to day basis; to inform our decisions and support our processes, to focus our limited resources on the things that matter most.

6.2 Initiate a Digital Transformation Programme

- 6.2.1 The initiatives proposed within the Digital Strategy will not deliver themselves and ownership of digital transformation must come from the top. As such, it is recommended that a Digital Transformation Programme is created to oversee the delivery of the Digital Strategy throughout its lifetime and to ensure that digitalisation projects are executed in an effective and efficient way.
- 6.2.2 It is strongly recommended that the programme is supported by a dedicated Project Manager and Business Analyst who can oversee progress and ensure that deliverables are achieved. The cost of these resources have not been included in section 4.2 however they have been passed to the Council's finance team for consideration as part of the resourcing requirements for the proposed WDC and SDC merger.

6.3 Adopt a Governance Structure for Digital Transformation

- 6.3.1 It is suggested that a similar governance structure to that used for the overall Transformation Programme is adopted for Digital Transformation.
- 6.3.2 Day to day monitoring of the programme's performance would be the responsibility of the Transformation Steering Group. This group would also take responsibility for approving digital business cases in line with the recently discussed harmonised procurement process for ICT Solutions.
- 6.3.3 Progress would be reported to the Joint Management team and the Joint Advisory Steering Group who in turn would report up to the Joint Cabinet and Overview and Scrutiny Committees. Individual business cases for workplan items would also be reported up to the committees as appropriate.
- 6.3.4 It is suggested that a member-led group takes overall ownership of the Digital Transformation Programme. This is an important consideration as the programme must be given corporate importance and accountability at the highest level, not just within services where there is a risk that progress may stall as other priorities take hold.
- 6.3.5 As shown in figure 3, true transformation of the customer experience and our operating models cannot be achieved without the buy in of our most senior leaders. As such, Member involvement in shaping and delivering the programme is very important. Councillors are both leaders and corporate ambassadors within their communities and their full support for the digital initiatives are crucial if they are to be accepted, embedded and succeed.

6.4 Conclusion

- 6.4.1 Kaplan et al. (2000) described how "businesses must increasingly create and deploy intangible assets" and that these assets "have become major sources of competitive advantage".
- 6.4.2 For a local authority, the notion of competitive advantage is often missed as we do not compete in a traditional sense. However, our lack of commercial competitors does not relieve us of the responsibility to make sure our services are financially sustainable and deliver quality outcomes for South Warwickshire.

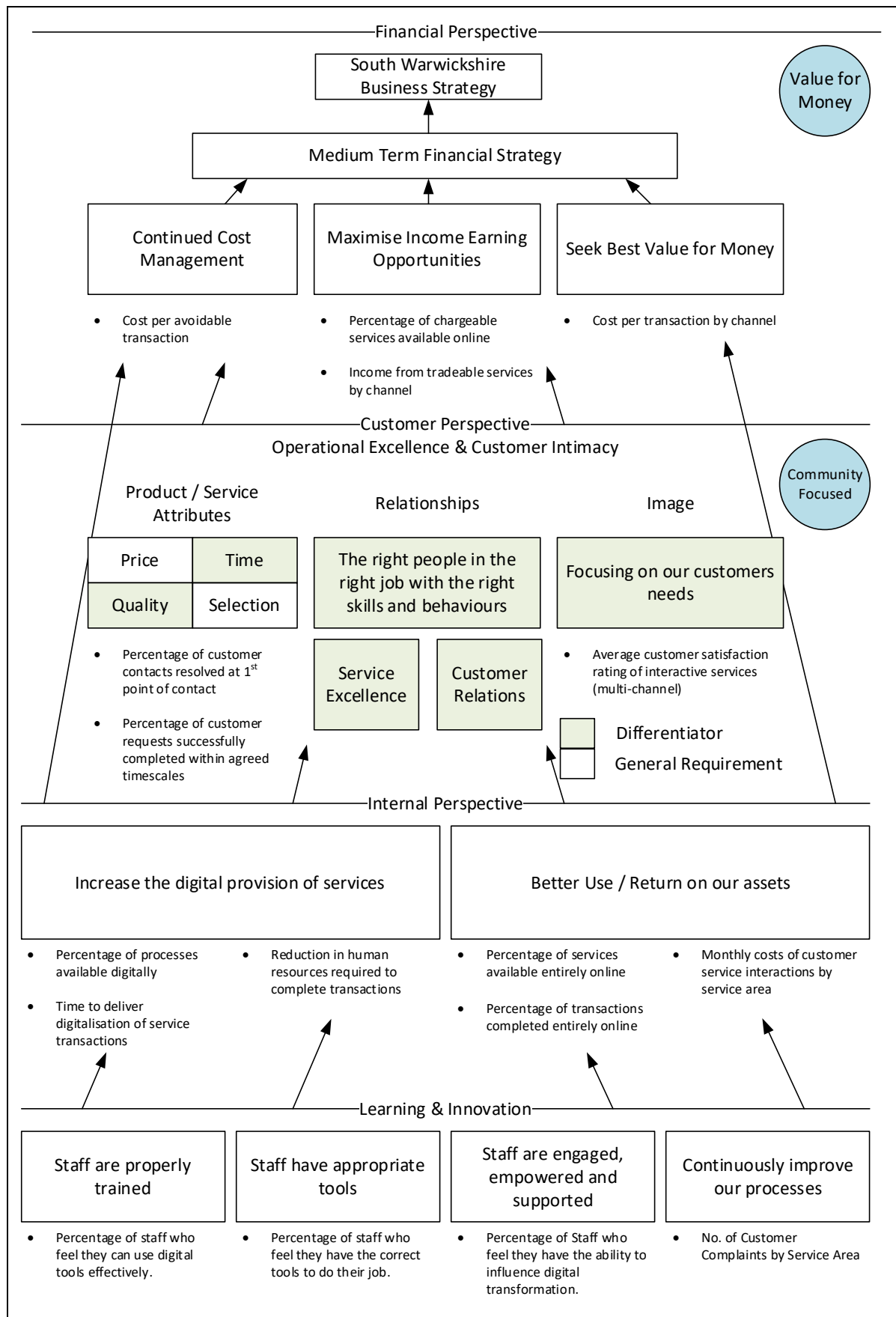


Figure 5 – Strategy Map for Digital Strategy Adoption

Based on Kaplan et al. (2000) this adaptation of the strategy map focuses on developing customer intimacy, whilst also becoming operationally excellent.

- 6.4.3 Figure five, shows a strategy map which connects the potential outcomes of the Digital Strategy to some of our existing corporate priorities. From this is easy to see how the value of the Digital Strategy can add to the sustainability of the Councils; from empowering learning and development for staff and improving customer outcomes, through to optimising and reducing costs.
- 6.4.4 Our competitive advantage has to be efficiency. We may serve a closed market, but like any business if we are not financially sustainable, if we do not deliver the successful outcomes that our customers require, alternatives will be found and as organisations, we will simply cease to exist.
- 6.4.5 Adopting the Digital Strategy is not a commitment for the authority to simply buy new equipment and adopt whatever technological trend prevails – it's a commitment to taking the fundamental reason why the Councils exist, to serve the communities of South Warwickshire, and using technology to improve how we go about doing that.
- 6.4.6 It is a fundamental programme of change that will ultimately benefit everyone, and exclude no one.

Background papers:

SDC, 2020 – [Medium Term Financial Strategy 2020/21-2024/25](#) (accessed 16/09/21)

WDC, 2020 – [Financial Strategy 2020/21-2024/25](#) (accessed 16/09/21).

Supporting documents:

LGA, 2020 – [Fragmented Funding](#) (accessed 16/09/21)

Google, 2021a – PDF Forms – [Warwick District Council](#) (accessed 16/09/21)

Google, 2021b – PDF Forms – [Stratford District Council](#) (accessed 16/09/21)

WDC, 2021a – [Severely Mentally Impaired Application Form](#) (accessed 16/09/21)

WDC, 2021b – [HomeChoice Application Form](#) (accessed 16/09/21)

Fight For Sight, 2021 – [Sight Loss Simulator](#) (accessed 16/09/21)

EIII, 2021 – [Tingun PDF Checker](#) (accessed 16/09/21)

Macular Society, 2021 [Macular Society website](#) (accessed 16/09/21)

Kaplan et al, 2000 – [Having Trouble with Your Strategy? Then Map It](#) (Accessed 15/10/21).

Ismail et al, 2017 – [Digital Business Transformation and Strategy: What Do We Know So Far?](#) (Accessed 15/10/21)

SOCITM (2021), [Digital trends in local public services 2021](#) (Accessed 15/10/21).

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date		
Title of report		
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		
Portfolio Holder WDC & SDC *		
Financial Services *		
Legal Services *		
Other Services		
Chief Executive(s)		
Head of Service(s)		
Section 151 Officer		
Monitoring Officer		
CMT (WDC)		
Leadership Co-ordination Group (WDC)		
Other organisations		
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to :Cabinet / CouncilCommittee
Contrary to Policy/Budget framework		No/Yes
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No/Yes, Paragraphs :
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		No/Yes, Forward Plan item – scheduled for (date)
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility



Working *Together*

South Warwickshire Digital Strategy

2021/24



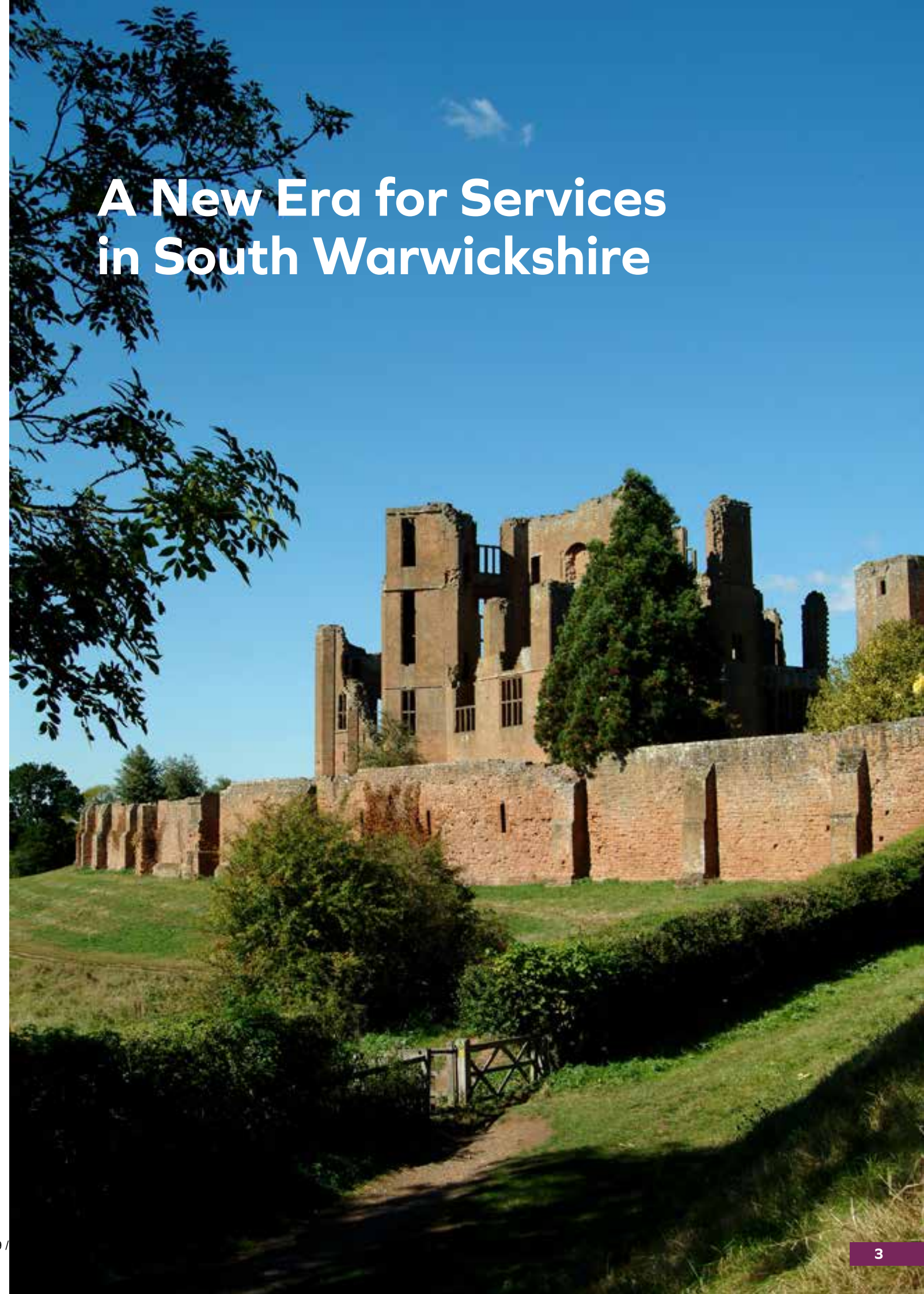
South Warwickshire Together Programme

DRAFT

Foreword

Statements to follow

A New Era for Services in South Warwickshire





Introduction

Since February 2020 Warwick District Council and Stratford District Council have committed to working together.

Faced with the incredible challenge of rising costs, increasing demand and reduced financial income, by 2024 resources from both authorities will combine; to ensure the future sustainability and delivery of excellent services for communities across the South Warwickshire area.

Both Council's already have ambitions for the future which are outlined in their strategic plans; Warwick District Council's Business Strategy 2020/23 and Stratford District Council's Council Plan 2019/23.

Whilst these plans were drawn up independently, common goals already exist...

- Transform services, putting people first in all that we do
- Supporting the local economy
- Respond to the Climate Emergency

This South Warwickshire Digital Strategy will seek to build on and strengthen both Council's existing ambitions, ensuring that by 2024 South Warwickshire is capable of delivering excellent digital services, that support our communities, create value and deliver on our priorities.

Defining Digital


Despite the phrase “digital” being a general business term for more than a decade, there is actually no commonly accepted definition of what it means to be “doing digital”.

For the purpose of this strategy, four key terms will be used to describe our digital ambitions:



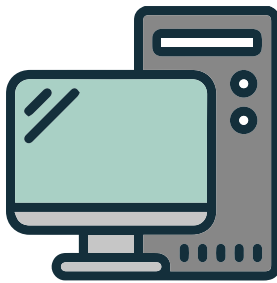
Digital

Applying the culture, processes, business models and technologies of the internet era to respond to people’s raised expectations




Digitising

The translation or capture of analogue data (such as paper, microfiche, or video cassettes) into a digital format



Digitalisation

The holistic delivery of a service from start to finish using digital technology



Digital Transformation

Using digitalisation as a continuous, transformative force across the organisation



Our Vision

Creating a Council where “simple and effective” defeats “complex and inefficient”

Our Mission

Our mission is to create digital services that put our customers at the centre of what we do, help to empower our communities and set new standards for how our Council can deliver. We will do this by using technology, data, our skills and our knowledge to create excellent, simple and effective solutions that solve complex real-world problems, push the boundaries of what we can achieve and enable our services to be the best possible version of themselves for now and for the future.

Our Values



Simplicity

We will create solutions that solve incredibly complex problems, but are beautifully simple to use.



Inclusive

We will ensure that our services are inclusive of everyone, encourage openness and help to connect our Council to its communities.



Excellence

We will create excellent solutions that genuinely improve what our Council does - because that'll do, just won't.



Collaboration

We will work with our teams, communities and peers to create sustainable solutions that improve people's lives.



Innovation

We will always seek out a better way and will not be afraid to try something new.



Humility

We will treat others with respect, we will acknowledge their views, we will recognise we're sometimes wrong and we will learn from our mistakes.

A Strategy for All Services

This joint Digital Strategy for Warwick and Stratford District Councils is not intended to be a document that exists in isolation. Effective digital transformation requires far more than technology; it is a way of thinking which simply uses technology to benefit people and processes, facilitating an effective method of delivery. In this way, digital transformation is the responsibility of everyone within the Council's - to challenge what we do and find a better way.

Whilst the Council's leadership will adopt a digital transformation mind-set, the principles of the Digital strategy do have particular impact on some other key Council strategies, and vice versa:



Council Plan

The Digital Strategy is intended to underpin the priorities identified within the Council Plan. Any revisions to the Council plan or future priority changes will be reflected in an updated digital strategy.



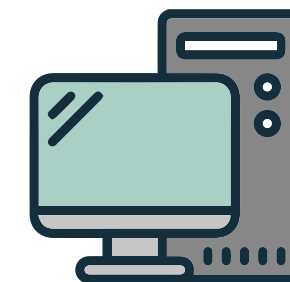
Customer Service Strategy

The Customer Service Strategy outlines the direction the Council's Customer Service team will take in future years. The digital strategy will impact directly on the tools available to the customer services team and influence the access methods available to customers.



Communications Strategy

The Communications Strategy outlines how the Council will communicate with its customers and will also be impacted by the Digital Strategy. Some of the processes introduced through the digital strategy may open up new and innovative solutions for customer communication that were not previously available, benefiting our staff and communities.



ICT Strategy

A significant part of the Digital Strategy is related to available technology. The Council's ICT strategy will work alongside the Digital Strategy to ensure that the desired outcomes of the digital strategy can be achieved and that the Council's technology provisions are suitable and fit for the future.

The Local Digital Declaration

In July 2018, the Ministry of Housing, Communities and Local Government, Government Digital Service and 45 co-signatory organisations published the Local Digital Declaration.

This important document was intended to affirm all government agencies ambitions for local public services in the internet age, proposing both a cultural and technological shift towards five key principles:

1. We will go even further to redesign our services around the needs of the people using them. This means continuing to prioritise citizen and user needs above professional, organisational and technological silos.
2. We will 'fix our plumbing' to break our dependence on inflexible and expensive technology that doesn't join up effectively. This means insisting on modular building blocks for the IT we rely on, and open standards to give a common structure to the data we create.
3. We will design safe, secure and useful ways of sharing information to build trust among our partners and citizens, to better support the most vulnerable members of our communities, and to target our resources more effectively.
4. We will demonstrate digital leadership, creating the conditions for genuine organisational transformation to happen, and challenging all those we work with to embrace this Local Digital Declaration.
5. We will embed an open culture that values, incentivises and expects digital ways of working from every member of our workforce. This means working in the open wherever we can, sharing our plans and experience, working collaboratively with other organisations, and reusing good practice.

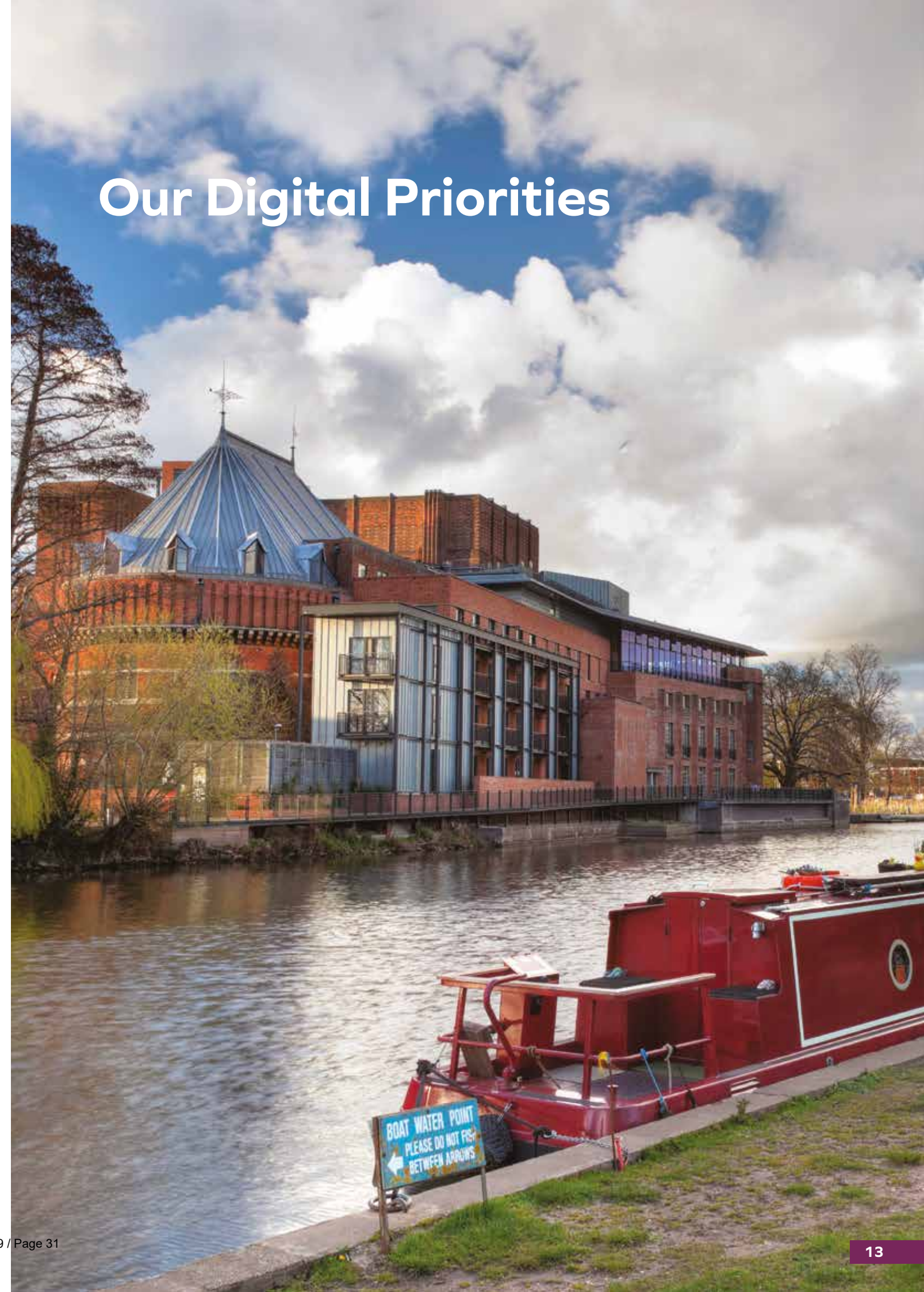
(Local Digital, 2018)

By October 2021, 267 other organisations had signed up to the Local Digital Declaration, committing them to improve services and share innovation.

Through this digital strategy, we will deliver on the principles and ambitions of the Local Digital Declaration, to create the conditions for the next generation of local public services, where technology is an enabler rather than a barrier to service improvements, and services are a delight for citizens and officials to use.

Stratford District Council signed the declaration in October 2018. Warwick District Council will also sign up in early 2022.

Our Digital Priorities



1. Delivering Excellence in Digital Services

The COVID-19 Pandemic in 2020 spurred a revolution in how both Stratford and Warwick District Council's provided services to customers. Face to face channels became largely unavailable for prolonged periods and for the first time, all customer services had to be delivered over the phone or online.

The number of calls received by the Councils respective Customer Service teams increased by around a third and visits to the Councils websites doubled during first three weeks of lockdown.

This shift was not limited to just the Council. In 2021, the number of homes connected to the internet increased to 94% and 10% of UK adults said they only accessed the internet from a smartphone. The biggest growth in internet usage was amongst the 55+ age group, increasing to 71% of the overall population (Ofcom, 2021)

As families, friends, workplaces and schools were forced apart, online services bridged the gap to bring them back together and a new trend of "internet ambassadors" emerged, where people helped those who would traditionally be excluded to get online.

Both Stratford and Warwick District Councils recognise our customers are the centre of our services. We will continue to empower our communities to help themselves by delivering excellent digital services across all service channels, putting this at the heart of what we do.

Where we are now

Both Warwick and Stratford District Council have made inroads to enabling digital services for residents. Around 8,000 to 10,000 visits are made to the Council's websites each month, generating approximately 3,000 enquiries. Around 19% of Council Tax payers are registered for Warwick's online Revenues and Benefits services, but the number is significantly lower in Stratford with just over 1% take up.

A significant number of customers also choose to interact with the Council in other ways. In 2020/21, around three thousand people a month contacted the respective Revenues and Benefits services using the telephone. Each Council also has multiple inbound numbers, some of which are not included in monitoring statistics but are still publicly accessible.

Experiences across each Council's website and its other service channels are unfortunately not jointed up.

Both Council's websites currently operate independently and there are significant differences in their accessibility ratings. Assessments carried out by Silktide (October 2021) rated less than 70% of Stratford District Council's webpages as meeting the minimum accessibility requirements compared to 99.9% for Warwick District Council. Both sites also host a lot of PDF files, which are more difficult to search and often result in documents of variable quality.

Whilst a number of services do have online forms available, these efforts often have limited impact and simply present a digital route into services which have not inherently changed in a number of years. Warwick has around 130 online forms which only result in an email and less than 10% of services on the Council's websites actually integrate to an application. Some services also use the website to simply deliver pdf forms for the customer to print, completed and return, to be "keyed in" later.

The capabilities of the Council's legacy applications are also an area of concern. Each Council's website is a mix of services from different providers and around a dozen different systems at each Council support its delivery. Whilst most are presented as part of the Council's sites, there are significant restrictions and in most cases, the Councils are limited to using these solutions as they are the only method supported by the software publishers.

Our Ambitions

We will enable the complete delivery of services, digitally

Our digital tools will allow customers to find any information or complete any transaction with the Council entirely online.

We will create simple to use services that work first time, every time

The digital tools we create will be simple to use, reliable and will work – from the point where a request is made to the time an outcome is delivered.

We will keep customers informed

Our services will be designed to communicate with customers using clear, concise and appropriate methods, chosen by the customer.

We will create an excellent website

We will rebuild our website to provide the most accessible and complete source of accurate and up-to-date information for Council services.

We will put the customer first

All of our digitally enabled services will be designed around the customer, focusing on simple, convenient delivery and outcomes across all service channels.

What we're going to do

1. Create a dedicated, multi-disciplinary Digital Team that can engage with service areas and service users to create complete digital services, that are simple, easy to use, accessible across multiple channels and provide end-to-end functionality.
2. Create a portfolio of guidance materials, that are concise, easily readable and fully outline the processes we undertake to complete service design activities, so they may be applied independently.
3. Consolidate on a Content Management System that is capable of supporting the needs of both Council's and facilitates the rapid development of new services in a reliable and resilient way.
4. Redesign the Council's websites, introducing a consistent interface that is customer centric, optimised for mobile and meets the highest accessibility standards, using the Government Service Manual to guide our design principles.
5. Review the technologies that underpin the delivery of supporting services on our website, ensuring they are fit for purpose and provide the tools required for integrated, end to end functionality within the solutions we wish to create. Where existing systems are not able to meet these needs, we will evaluate the suitability of alternatives.
6. Review the Council's existing website estate and where necessary consolidate this into the new content management system. A new policy will be created for the approval of additional online assets.
7. Develop new guidance and standards for content creators across the Council to ensure that new and existing materials are accurate, concise, high quality, meet accessibility guidelines and where necessary, are updated to reflect feedback received from users.
8. Launch a consolidated Customer Relationship Management solution, addressing the need for both Councils to deliver consistent multi-channel interactions, where services are fully integrated, facilitating two way communication and the delivery of a single customer portal.
9. Make use of existing and emerging central government services to improve the value and benefit of the services we offer and reduce our dependency on legacy providers.
10. Work in the open, creating a portal where staff and residents can keep up-to-date with the digital team's work, see our roadmap, provide feedback and get involved with what we are doing.
11. Introduce a continuous improvement cycle where the services we design are continually developed to take advantage of new technologies and to act on the feedback we receive from customers.

2. Digital Service by Design

The 21st century, so far, has seen huge strides in technological capability and monumental shifts in how people use digital services.

Local government as a sector has been slow to adapt to the groundswell of digitalisation, often becoming bogged down with closed systems, vendor lock in and superficial initiatives that don't require real change. Ultimately these changes have generated limited outcomes for both Councils and Customers alike.

The merger of Stratford and Warwick District Councils is a once in a lifetime opportunity to fundamentally redesign how the Councils work, as two organisations come together to create something better.

Our intention is to break with history and create excellent digital services for the public, underpinned by fundamental internal transformation to truly digitalise how we work.

Our challenge will be to ensure our digital transformation is fast enough to keep pace with public need, flexible enough to meet our own changing circumstances and inclusive enough to ensure no community is left behind.

Where we are now

The advent of COVID-19 in 2020 supercharged technical change and development at both Stratford and Warwick District Councils. Projects to introduce collaborative technologies such as Microsoft Office 365, the movement of some key systems into the cloud and a complete refresh of desktop hardware has massively improved facilities for staff and opened up new ways for services to operate. Our basic productivity solutions, whilst still independent, are amongst the best around.

Both Councils however host a sizeable catalogue of legacy business applications, predominantly on premise. In all but one service area, different software solutions are in use and in all instances, different conventions are used for operation. To compound these issues, typically the actual applications are not the most current version, reflecting how software contracts are generally managed by service areas rather than ICT. Financial support for software maintenance is also diversified to service area budgets leading to the unfortunate position where if its not broken, why fix it with a costly update?

Many of our existing systems were also designed without digital in mind. Some are more than 20 years old and still have the same underpinning architecture now as they did in the 1990's; operating so inefficiently that they cannot be ran over a remote connection. These systems are not fit for purpose, typically offering little or no opportunity to integrate with other services or development beyond other software their original manufacturer offers or add-on solutions they also provide.

The delegation of responsibility to services has also extended (until recently) into the procurement of solutions, which have typically only addressed the needs of a single area, without regard for the wider Council opportunity. As a result, the quality of service delivery is inconsistent, integration is difficult and there is real duplication of functionality - which by its nature means that each Council is paying for solutions more than once, even before the merger has begun.

Each Council also has significant on premise infrastructure. Whilst both authorities diligently ensure that core software and firmware is kept up to date, the underlying server, storage, network and telephony hardware is nearing the end of its useful life. The on premise infrastructure also represents a single point of failure as the existing architecture is being used in ways that were not envisaged when it was designed. This unfortunately does have an impact on service availability.

Our Ambitions

We will put digital at the heart of our transformation

Wherever our services are impacted by the Council’s merger, we will comprehensively review the delivery model to focus on digital design and efficient delivery.

We will eliminate duplication and seek out open solutions

Throughout our transformation we will consolidate or replace our line of business applications to meet the new needs of our combined services, using open, shareable low code solutions.

We will use new technologies to improve our delivery

We will use innovative technologies such as automation and artificial intelligence to improve our efficiency and ensure consistent, valuable outcomes from the services we offer.

We will use our customers to inform our design

As we build our new services we will consult with our customers to ensure we consider their expectations and needs, using these requirements to inform and guide our designs.

We will consider risk, resilience and security in all that we do

Our digitally enabled services will be designed to minimise risk for both the customer and council, with resilience and security designed in from the very start.

What we’re going to do

1. Consolidate our software solutions to remove duplication, ensuring that our chosen applications are best-of-breed, meet service needs, operate openly and can easily be expanded and developed through the use of APIs, in a manner that is supported by the supplier.
2. Create a combined, core ICT infrastructure that facilitates the needs of both organisations and the sharing of services.
3. Wherever appropriate, utilise as-a-service, cloud based solutions to mitigate the long term requirements of maintaining significant on premise infrastructure and software stacks.
4. Utilise the Digital Team to work with service areas affected by software changes, ensuring their needs are met in the most effective way possible, introducing new ways of working that are digitally focused and directly support holistic digital service delivery.
5. Introduce a low-code development platform that can be integrated with the Council’s website, CRM and back office applications, can be used by non-technical staff and supported by development professionals where complex requirements are identified.
6. Work with the Council’s Communications team to create an engagement framework that will facilitate the Council’s customers becoming involved in our service design activities.
7. Create capacity within the digital team to explore new and innovative technologies, such identifying use-cases within the Council where such technology could improve operational efficiency.
8. Create a combined, SharePoint based Council intranet that introduces a consistent interface, prioritising the accessibility of information and maximising the value of our Office 365 investment.
9. Investigate and implement an insight and reporting solution that can be used to analyse data from the Council’s systems and external data sources to create useful profiles of service user behaviours and needs, to underpin service planning and decision making.
10. Enact clear and robust governance policies which ensure technology solutions introduced across the councils are fit for purpose, value for money, secure and implemented in a effective way.
11. Work with the Council’s finance team to consolidate software budgets, improving visibility of software spending and ensuring sufficient resources are in place to support development needs.
12. Work with the Council’s Risk Management functions to introduce a risk management framework within ICT that can be used to inform decision making and assist in the prioritisation of resources when implementing risk controls.

3. Digital Communities and Place

South Warwickshire has a diverse demographic ranging from digitally excluded and vulnerable residents who may have never used a computer in their lives, to computing graduates and technology businesses that have chosen to make the area their home. This digital strategy seeks to be inclusive of all demographics and is not intended to exclude any group from benefiting from digital innovation.

In addition to accommodating Warwick University, the area is also set to host to the UK's biggest battery factory by 2025 and already has a strong presence of global technology service providers, highly successful game developers and premium manufacturing industries. South Warwickshire has a thriving digital and technology driven economy that could grow significantly in the future.

A key value of our digital strategy is inclusivity and its our intention to ensure that no community within the South Warwickshire is left behind when it comes to benefiting from the digital revolution. We will do everything we can to ensure that our people are digitally skilled and that our environment is built to realise the advantages of a digitally enabled future.

Where we are now

In recent years there have been significant improvements in the broadband infrastructure across South Warwickshire, but there are still big variances. In May 2021, only 36% of properties in Stratford upon Avon had access to gigabit broadband, whereas availability in Warwick was far higher at 67.5% (Ofcom, 2021). Average download speeds were also nearly 25% faster in Warwick, at 79.5Mbit/s. Just over 1,000 properties across the South Warwickshire geography have connections which are slower than 2Mbit/s for downloads (Ofcom, 2020) - this was the UK's average download speed back in 2006.

Whilst average connection speeds across the area would generally be considered sufficient for tasks such as streaming media, basic video conferencing or home working, the gap between those with good infrastructure and those without will continue to grow, limiting the areas potential development as a place to live and work in a post COVID environment.

The way that people go online is also changing with more than 85% of UK adults now accessing the internet using a smartphone, which is by far the most popular device. Whilst this trend is not new, it does highlight the importance of having mobile responsive services, the potential market for dedicated applications and the requirement to develop excellent mobile network coverage. The top three apps in 2020 were also telling of how people use their devices, with 74% of all UK adults using WhatsApp, and roughly 70% using Facebook and YouTube - indicating potential areas of focus for the Council.

Digital exclusion is also a significant issue, with more than 18% of over 65's and those on incomes under £11.5k not having any access to the internet at home, nationally. 10% of over 65's who had internet access either didn't feel very confident when using the internet or simply didn't know how. Whilst information specifically relating to Stratford upon Avon and Warwick is not currently available, it is reasonable to conclude that our own populations will demonstrate similar trends.

Our Ambitions

We will work to improve connectivity across South Warwickshire

The Council will work with its partners to improve connectivity across the geography of South Warwickshire, particularly reducing the number of properties with no connection option.

We will use our policies to improve digital infrastructure

As we redevelop policies in the context of place, wherever possible we will use these as a vehicle to improve digital infrastructure.

We will support the digital economy

The Council will support the development of the technology and digital sectors, working with local businesses, higher education and other stakeholders to encourage investment.

We will work to reduce digital exclusion

We will work with our partners to deliver programmes which reduce digital exclusion, improve online access in a safe and secure way and encourage lifelong digital skills development.

We will champion digital place

The Council will look at how technology can be used within the built environment to improve our communities and the effectiveness of our services.

What we're going to do

1. Work with Warwickshire County Council, central Government and private providers to develop an action plan to improve access to affordable superfast and gigabit broadband and 5G mobile telephony services across the South Warwickshire area.*
2. Develop a framework agreement that will facilitate the rapid deployment of connectivity and mobile communication services in Council owned assets, including social housing.
3. Review our policies to ensure that digital connectivity is given appropriate standing in the planning process, by working with commercial service providers and developers to consider what is both beneficial and feasible.
4. Explore potential methods of co-funding investment in ultrafast broadband networks for rural areas where commercial investment alone would not be sufficient to improve services.*
5. Review how the Council can support the development of flexible, digital incubation spaces which encourage development of the technology services sector.*
6. Work with the Council's Economic Development Team and local businesses to identify the digital skills that are needed and the best ways to provide for these.*
7. Work with local education and training providers to inform the design of a Digital Inclusivity programme to help residents gain the skills they need to feel confident when engaging with digital services.*
8. Work with the Council's Communications and Customer Services teams to embrace alternative methods of engagement, such as social media and messaging apps, which excluded residents may feel more comfortable in using.
9. Develop pilot programmes to take forward smart city initiatives within the public realm such as smart parking solutions, digital signage, intelligent environmental monitoring, public or community Wi-Fi or the digital provision of local information.*
10. Explore the development of a community focused app that could enhance the local economy, provide information about services within a locality, improve social value and allow access to Council services.*
11. Develop digital democracy by ensuring that our Councillors have access to appropriate technology that will allow them to act as digital ambassadors within their communities.

* Work streams require support and involvement from 3rd party organisations.

4. Our People and Priorities

Digital Transformation at its core is about creating harmony between people, processes and technology; it is the science of creating processes that take full advantage technology so that people can carry out their work in the most effective and efficient way possible.

In the past digital transformation, particularly in a local government context hasn't really been transformational. In most instances, it's simply been digitisation transformation; the act of making information capture more electronic, but without real change to processes. People simply carry on working in the same way, because that's how they've always done it.

Simply improving digitisation and not doing digitalisation, is no longer enough.

The Council simply cannot carry on working as it always has. Our ambitious programmes will fail without real change, our services will have no option but to keep working harder and eventually our staff will not keep up with demand. Digital transformation can help to solve these problems.

By investing in our staff's digital skills, in our leadership, by embracing digitalisation and facing the challenges head on and with unrelenting determination, we can create a better Council for South Warwickshire.

Where we are now

Warwick and Stratford District Council's already have very ambitious plans for the future. The merger of the two authorities to create South Warwickshire is a very complex and demanding programme that if successful, could generate a number of benefits for the communities the new Council will serve. The Council's aspirations to become a carbon neutral organisation by 2025 is also a very demanding goal, that is entirely possible. But in reality, neither of these programmes can succeed without effective digital transformation.

Neither Warwick nor Stratford District Council are digitally mature organisations. For most enterprises digital transformation is a journey that begins with loosely correlated projects that focus on customers and productivity, which slowly emerge from silo working. Maturity is reached when digital ways of thinking and innovation are as much a part of the organisation as its finances or property. Currently, both organisations are working to move out of the silo mentality and are just starting their digital journey.

Successful digital journeys also require an organisations leadership to live and breath digital. It simply isn't enough for leaders and managers to talk about becoming a digital, they have to be willing to push those expectations, publicly support the initiatives, embed this within their teams and challenge those areas which do not support the change. Leaders do not have to be digital experts, but developing digital skills and knowledge is essential. Digital transformation has to be a corporate priority and not seen simply as an ICT project.

As Council's we also need to make sure that we make the most of our data. As an organisation we hold a wealth of information about our communities but currently, arranging and accessing this data in a coherent and consistent way that can make sense of the thousands of data points we hold is a demanding task that is not being dealt with. For the future, we need to make our data work for us as the Council does not have the resources to make mistakes; it is important that we understand what our customers want. Our data can tell us this, if we learn how to use it more effectively and provide our staff with the tools to access it easily.

Our Ambitions

We will empower our people to enable digital transformational

By fostering a culture of innovation we will ensure our staff, Councillors and senior leaders have the skills, knowledge and confidence to challenge delivery and enable digital change.

We will use our digital transformation to support our green agenda

Through the digitalisation of services and the use of new technologies we will support the Council's climate change initiatives and consider this in every aspect of service design.

We will open our data for reuse

The Council will open up its datasets wherever possible for innovative reuse by other organisations and internally across services where appropriate.

We will realise the value of our geographical data

Almost all of the Council's data relates to a geographical location. We will use our technology to ensure that we represent and analyse our data according to its place in the world, not just its reference number.

We will not be afraid

We will use our resources to the best of our abilities, we will not be afraid of failure, we will recover quickly and embrace the opportunity that excellent digital services present.

What we're going to do

1. Work with our HR team to implement a programme of training for our staff and Councillors to increase their digital skills, raise awareness of data and data protection, entrench cyber security principles and embed a digital culture.
2. Develop the digital capability of the Council's leadership, prioritising the Joint Management Team and Cabinet members in line with the principles of the Digital Declaration.
3. Review how we support and train staff using line of business applications, ensuring that they have all of the skills necessary to work effectively, with access to ongoing development opportunities.
4. Undertake the development of digital services, projects and initiatives which directly contribute to reducing the environmental impact of the Council, it's suppliers and communities.
5. Ensure that the agile working capabilities of the organisation continue to be developed and provide staff with sustainable options to work from any location, without the need to travel.
6. Work with our Climate Change group to ensure our core data centre operations reach net carbon zero before the Council's 2030 target.
7. Remove printing from as many of our internal processes as possible
8. Develop in conjunction with our Information Governance team, simple processes to open up data for internal sharing.
9. Create an open data portal on our website which details the work of the digital team, opens up our data (where appropriate) for wider reuse and encourages participation in Council operations.
10. (Re)discover our data, optimising retention, digitising from legacy formats and using advanced techniques to make our data accessible in novel, interesting and useful ways.
11. Embed our Local Land and Property Gazetteer data in all appropriate datasets to increase accessibility, allow spatial analysis and improve the ability to connect disparate datasets from across service areas.
12. Replace our existing Geographic Information Systems with a more accessible platform that can be used by staff, Councillors and residents to easily view live information.
13. Create capacity to engage more effectively with our suppliers, our service users and our internal teams to ensure that our software and solutions are fit for purpose, fit for use and deliver excellent value.
14. Continually look to the future for new technical innovations that will improve our services and solve problems for our communities.

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More information

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Title: Outdoor Sports Review – Proposed Revised Delivery Models for Council Owned Facilities

Lead Officer: Debbie Cole, Project Officer, Cultural Services 01926 456205, Rose Winship, Head of Leisure, Tourism and Culture

Portfolio Holder: Councillor Liam Bartlett

Wards of the District directly affected: All of Warwick District

Summary

This report seeks approval of revised management arrangements and delivery models for the Council owned tennis, athletics and football facilities.

Following the completion of an Outdoor Sports Options Appraisal undertaken by Strategic Leisure Limited (SLL), officers have considered the options and have developed proposals to reduce the management costs to the Council and to support and increase use of the facilities.

Recommendation(s)

- (1) That the principle of charging for tennis courts in Christchurch Gardens and Abbey Fields be agreed.
- (2) That subject to Recommendation One being approved, Cabinet delegate authority to Head of Leisure, Tourism and Culture in consultation with Portfolio Holder for Leisure, Tourism and Culture to work up and recommend the pricing framework for Christchurch Gardens and Abbey Fields for 2022 to Council at the appropriate time.
- (3) That the installation of a booking and gate access system for all Council owned tennis courts be agreed, subject to funding being awarded from the Lawn Tennis Association (LTA).
- (4) That a procurement exercise is undertaken to appoint one or more tennis operators to run community-based tennis programmes at the Council's four tennis venues.
- (5) That subject to negotiation with Everyone Active that results in a cost saving for the Council, Cabinet delegate responsibility to the Head of Leisure, Tourism and Culture in consultation with the Portfolio Holder for Leisure, Tourism and Culture to agree a variation to the 2017 Everyone Active leisure services contract to enable Everyone Active to manage the Edmondscote athletics facility on a temporary basis, until a permanent solution is identified for the provision of an athletics facility.
- (6) That further work is undertaken by officers to identify the optimum model for service delivery of the grass and synthetic football pitches on a site-by-site basis. Officers to bring a further Cabinet report for consideration when proposals are defined.

1 Background/Information

- 1.1 The Council commissioned an Outdoor Sports Options Appraisal from SLL to look at the preferred delivery models for the Council owned sporting facilities of tennis, athletics and football, with the aim of reducing the costs to the Council in running the facilities, providing an optimum financial return and also increasing resident participation. See Appendix One
- 1.2 The report identified recommendations for each sport. This Cabinet report focuses on the development of tennis and athletics proposals, informed by the SLL recommendations.
- 1.3 With regard to the recommendations for tennis, the Council is working closely with the LTA to develop and implement proposals.
- 1.4 Recommendations one and two: The principle of charging for tennis courts be agreed at Christchurch Gardens and Abbey Fields.
 - 1.4.1 The current costs to the Council to run its four tennis venues (21 courts) far outweigh the income generated. In 2019/20 (last pre-pandemic year of operation) £2,922 of income was received, whilst the expenditure totalled £57,871, resulting in a deficit of £54,949.
 - 1.4.2 At present court charges only apply at Victoria Park and at St Nicholas Park.
 - 1.4.3 Both the SLL options appraisal and the LTA recommend the introduction of charging for court usage at Christchurch Gardens and Abbey Fields to ensure the long-term sustainability of the tennis facilities.
 - 1.4.4 The LTA have produced a feasibility tool to support Local Authorities in developing sustainable business models for managing tennis venues. The feasibility tool suggests, that charging from Christchurch Gardens and Abbey Fields could generate an additional annual income of £26,566 from court hire and annual passes. If the same charging model is applied to all four sites this could generate an annual income of £60,010. These figures exclude income from coaching or other tennis activities (e.g. holiday clubs).
 - 1.4.5 Subject to approval of recommendation one, further work will be undertaken with the support of the LTA to work up a pricing policy to ensure that the pricing will be sufficient to generate an appropriate sinking fund to finance future maintenance of the courts and to ensure that court hire is also affordable to local residents to encourage increased participation.
 - 1.4.6 The charging scheme would include: -
 - A percentage of bookings to be retained for free access
 - Concessionary rates
 - Setting of affordable pricing to include annual family passes and hourly chargesThese measures are important and will reduce the risk of the charges being unaffordable for residents. (See also Section 5 - Risks.)
 - 1.4.7 Whilst officers are yet to work through the detail of the charges, it is anticipated that charges would also need to be agreed in consultation with any future operators (see recommendation four) with the emphasis on affordability. The Council may wish to set a small number of key charges for certain target groups as it does in the main leisure contract.

- 1.4.8 It is proposed that charging at Abbey Fields will not be introduced until after the planned improvements to the courts in 2023 have been completed.
- 1.5 Recommendation three: Installation of booking and gate access systems at all four tennis venues
 - 1.5.1 At present there is no facility for residents to book courts at Christchurch Gardens or Abbey Fields. This means residents do not know if courts will be available on arrival at the venue.
 - 1.5.2 It is proposed that the LTA's booking and gate access system is installed at each of the Council's four tennis venues. The booking system (ClubSpark) allows customers to pre-book courts, and enables the operator to control the programming of the courts for different tennis activities, e.g., coaching, court hire, school camps etc.
 - 1.5.3 The ClubSpark system also provides a tool for customers to make payments for court hire, where hire charges are applied
 - 1.5.4 The gate access system is linked to ClubSpark and allows access to the courts to booked customers. On booking a court, customers receive a 4-digit code which is keyed into a courtside keypad, which releases the gate lock and allows access to the court.
 - 1.5.5 The booking and gate access installation will allow for a uniform approach to tennis across the District and improve how people can find, book and pay for Council courts. LTA data shows that 87% of players, where booking and gate access systems have been installed, are satisfied with the online booking system. The booking system will also provide customer data about court usage which will be valuable for service planning.
 - 1.5.6 It should be noted that the basketball court within Christchurch Gardens will be retained for basketball and bookable using the ClubSpark system. A nominal charge will be applied, in recognition that the court is used primarily by young people.
 - 1.5.7 The installation of these systems is dependent on a funding application to the LTA. An application for £25,670 for the booking and gate access system has been submitted to the LTA and the outcome of the bid is expected early next year. If the application is unsuccessful, funding will be considered as part of the Council's budget process.
 - 1.5.8 Residents who do not have a mobile phone or who prefer not to book on-line, will be able to book a court by telephoning a member of the Council's leisure team/or venue operator. This will reduce the risk of residents being unable to access courts as a result of the introduction of the online booking system. (See also Section Five – Risks)
- 1.6 Recommendation four: Procurement of operators to run tennis programmes.
 - 1.6.1 At present there are no organised, community tennis activities or coaching programmes on offer at three out of the four sites (e.g., Christchurch Gardens, Abbey Fields, or St Nicholas Park).
 - 1.6.2 Both LTA and Sport England data indicates there is strong latent demand in the District for more tennis activities. (Sport England data identifies demand from 2,873 people.) Local club venues are close to capacity and therefore the LTA also suggests that there are considerable opportunities to engage local schools and young people with tennis programmes on Council courts.
 - 1.6.3 The Council is therefore proposing to procure one or more tennis operators to

run affordable and inclusive tennis programmes across the four sites. In addition to increasing the offer of tennis activities, it also importantly enables the Council to adopt a more commercial approach and allows an income to be generated from operators. The income would be used to create a sinking fund to cover the future maintenance costs of the facilities.

1.6.4 The Council will work with the LTA in drawing up the specified services required from the tennis operators. The list below describes the type of activities which can be anticipated: -

- Tennis For Free – LTA supported free weekly sessions open to all
- LTA "Serve" – aimed at disadvantaged communities - taking tennis to community venues and provision of free equipment
- Walking and disability tennis
- Adult and junior coaching
- Children's activities and holiday camps
- Introductory taster sessions
- Local tennis leagues

1.6.5 In addition, the tennis programme would be designed to ensure that people wishing to book a court outside of programmed activities have protected access to courts. Racquets and balls will also be available for hire at certain times, so that people without equipment can play.

1.6.6 The procurement exercise will be structured in "lots" meaning that a bidder can bid for one venue, more than one, or all the venues. The aim of the tender will be to find the right operator to provide the best community programme for each individual venue. A single lot approach would not allow for this distinction (e.g. the potential to appoint the best fit operator for each of the four venues) and would result in one sole operator for all the Council's sites. The "lots" approach has been advised by the LTA as the optimum approach given the nature of the Council venues. Subject to approval of recommendation three, work will start on the preparation of tender material early 2022 with the aim of starting new contracts later that year. The stakeholder engagement undertaken by SLL indicated good levels of interest from operators and coaches in delivering programmes from Council venues.

1.6.7 Advice has been sought from Warwickshire Legal Services on the client/supplier model. It is proposed that WDC offers a service contract and lease for each venue, in return for the operator paying WDC an annual concession fee. The fee would be set at a level to cover the required sinking fund contribution as indicated in the LTA's feasibility modelling for the WDC venues. A service contract will enable a more robust contractual relationship between the Council and operator. The current arrangement at Victoria Park is based on a licence to occupy. The licence does not provide the most suitable tool to manage the current arrangement. It doesn't give security to the licensee and it doesn't provide a mechanism for the Council to manage or control services.

1.6.8 As stated in para 1.6.7. above, the Council is proposing to use a concession contract to manage the new arrangements. Concession contracts fall under the Council's standing orders (WDC Code of Procurement Practice) and as such have to abide by the same rules as those for procuring contracts for goods, works and services. Under the Council's standing orders, where the value (total value of the provision of the contract for the contract length) of the contract is

£25k and above, a competitive procurement process is required. This is to ensure that the Council meets its obligations to be fair and transparent and to ensure best value for its residents. Compared to a licence arrangement, the concession contract provides benefits to both the contracted operator and to the Council. It allows the Council to manage the contracted services more proactively, as well as realise additional financial benefits from the commercial potential of the services. It also provides greater security of tenure (via a lease) for the tenant and greater clarity for both sides on the specified service and performance measures.

- 1.6.9 Recommendation four will therefore require that the Victoria Park venue is included in the tender exercise. As the largest tennis venue, this site presents the best opportunity to generate an increased financial return. It is proposed that the Council terminates the licence held by VP Tennis at an appropriate time by giving VP Tennis six months' notice. VP Tennis Club have been informed by officers about the proposals, the rationale and process for taking the proposals forward. The proposed tender exercise will be open to VP Tennis Club to bid to run the community tennis programme at Victoria Park, and also at the other venues.
- 1.6.10 It should be noted that the St Nicholas Park venue is currently managed by Everyone Active as part of the wider leisure contract. Following dialogue with Everyone Active, there is agreement to include this site within the proposed tender exercise for tennis operators.
- 1.6.11 In addition to increasing income, these proposals are also designed to deliver other benefits, such as increasing physical activity and improving health and well-being.
- 1.6.12 Appendix two provides a background note on the current management model for the tennis facilities and a summary of the current issues.
- 1.7 Recommendation five: Proposal to explore option for Everyone Active to take on temporary management of Edmondscote athletics track
- 1.7.1 The current costs to the Council to manage the Edmondscote athletics track considerably outweigh the income received from facility bookings. In 2019/20 income was £20,404 and the expenditure was £183,337, representing a deficit of £162,933.
- 1.7.2 Given the current costs to Council and the issues as highlighted in the SLL report (Appendix one), the proposal is to transfer the management of the athletics track to Everyone Active on a temporary basis until the future of the track is confirmed. The purpose of a variation to the leisure services contract would be to reduce the revenue costs to the Council to ensure a more cost-effective provision for the interim period. A transfer could be achieved by varying the existing leisure contract to add the management of the track in addition to the current services. Previous work has identified the potential to reduce the running cost to the Council via this approach. Everyone Active, as an established national leisure operator, could utilise their existing management contracts, benefitting from economies of scale, to provide improved value for money.
- 1.7.3 In addition, WDC would require that EA implement specified improvements for the benefit of residents using the facility. The targeted improvements include,
- introduction of online booking and payment system
 - limited on-site refreshments (vending machines)

- increased information and marketing of the facility
 - Wi-Fi and telephone connection
 - Enhanced facility programme of community use
- 1.7.4 It is anticipated that these improvements would increase use of the track by individuals, sporting clubs and other community groups and assist in improving residents' health and wellbeing.
- 1.7.5 Initial dialogue has been initiated with Everyone Active who are interested to explore this proposal further. EA have been invited to provide a financial proposal to manage the facility for up to three years.
- 1.7.6 Subject to approval of recommendation five officers will progress the detail of the negotiation, including matters such as maintenance responsibilities, insurance, upkeep of equipment and staffing to agree an arrangement to deliver savings to the Council. It is proposed that the current arrangements for grounds maintenance through the idverde contract would remain in place as this is considered the most practical solution.
- 1.7.7 Appendix three provides a background note on the current management model for the athletics facilities and a summary of the current issues.
- 1.8 Recommendation six. Further work on options for service delivery for football pitches is undertaken at a later stage.
- 1.8.1 The Council owns and manages 38 grass football pitches across six sites. As with the tennis and athletics facilities, the costs for the Council to run these facilities, outweighs the income received.
- 1.8.2 In 2019/20 £13,457 was received and the costs to maintain the facilities (including the x2 football pavilions) was £208,132 resulting in a deficit of £194,675. The administration to manage the booking of pitches is reliant on time consuming manual systems and adds further cost to the process.
- 1.8.3 A number of options were identified within the SLL report to reduce the cost to the Council in running the facilities, whilst continuing to enable community access to these well used pitches. These options include transfer of assets to other operators and community asset transfer to local clubs.
- 1.8.4 The work to develop these options is complex given the potential changes involved and number of pitches, sites and stakeholder groups. Due to the limited officer capacity to progress the outdoor sports review, it is therefore proposed officers review the football proposals next year. This will enable officers to focus on delivery of tennis and athletics recommendations.

2 Alternative Options available to Cabinet

- 2.5 The Cabinet could decide not to agree recommendation one (principle of charging). This will reduce the income to the Council for the future maintenance of the courts and impair the ability of the Council to reduce the current deficit.
- 2.6 The Cabinet could decide not to agree recommendation four (procure tennis operators). In addition to reducing the income to the Council, it would also limit the opportunities to use the venues to host community tennis programmes, as the Council does not have capacity to run the programmes itself. In addition, Cabinet could decide not to include all the sites in the procurement exercise (for example Victoria Park). This would hinder the Council from fully exploring the market at tender and is likely to result in a less financially beneficial outcome to the Council.

- 2.7 The Cabinet could decide not to agree recommendation five (vary the leisure contract with Everyone Active to include track). This would hamper the Council's effort to reduce the annual revenue deficit currently incurred in running this facility.

3 Consultation and Member's comments

- 3.5 The SLL review which informs the recommendations of this report included consultation with a wide range of stakeholder groups, including the relevant teams within WDC, local sports and leisure organisations and clubs and the relevant national governing bodies.
- 3.6 The report has been developed in consultation with the Leisure, Tourism and Culture Programme Advisory Board.
- 3.7 The Council has consulted the public during October 2021 on the proposals to introduce further charging and to appoint tennis operators. The survey received completed responses from 224 people. With respect to the issue of introducing charging the feedback reflected a range of views, with just over half of respondents supportive of further charging on the basis that prices are kept affordable.
- 3.8 The feedback from the recent consultation also reflected demand for more coaching programmes, a desire to enable access for people on lower incomes and also a recognition of the benefits of having a consistent tennis offer across all sites. There was also feedback from current VP members (25% of respondents) expressing satisfaction with the current VP Tennis offer.
- 3.9 The feedback from the consultation is summarised in appendix four.

4 Implications of the proposal

4.5 Legal/Human Rights Implications.

- 4.5.1 The proposals have no human rights implications.
- 4.5.2 The legal and procurement implications of the proposed variation for the athletics track have been explored and it is understood that a variation is permissible, providing that the financial implications of the variation do not exceed 10% of the leisure services contract value.

4.6 Financial

- 4.6.1 Tennis – this report highlights the need for the Council to create a sinking fund to fund the future maintenance costs of the Council's courts. The LTA feasibility tool indicates that an annual sinking fund of approximately £28k p.a. would be appropriate to provide adequate funding for future maintenance. The feasibility tool also indicates that charging for pay and play sessions and memberships should raise sufficient income to fund a sinking fund of this amount. The proposed procurement exercise of operators will provide more detail and greater certainty about this assumption.
- 4.6.2 There is an estimated cost to the Council of approximately £5k p.a. for the annual fees and maintenance of the LTA booking and gate access systems. This cost will be passed to the operator once appointed (estimated to be during 2022). Until this point, this will be an additional cost to the Council.
- 4.6.3 Athletics - the proposals are designed to reduce the costs to the Council. Previous work with Everyone Active has indicated the potential to realise savings, however it is too early in the negotiations to indicate the quantity of the savings.

4.6.4 Any delay in progressing with the proposals will delay the delivery of the estimated savings.

4.7 Council Plan

4.3.1 In respect of Warwick District Council's Business Plan these proposals will have the following relevance and impact as set out below:

External:

People - Health, Homes, Communities – The proposal seeks to protect and enhance the provision of the tennis and athletics facilities and by doing so, encourage physical activities.

Services - Green, Clean, Safe - The proposal seeks to procure tennis operators. The procurement criteria will require operators to contribute to the Council's net-zero targets.

Money - Infrastructure, Enterprise, Employment - The proposals to procure tennis operators will support the sports and leisure economy through the letting of tennis contracts. This will increase employment opportunities for tennis coaches.

Internal:

People - Effective Staff – The proposal will enhance the experience of the Council's Sports and Leisure team and other colleagues in procuring and managing the new contracts.

Services - Maintain or Improve Services – the Council will be able to maintain and improve the provision of its tennis and athletics facilities and, in the case of tennis, generate a financial reserve to be used to fund future maintenance.

Money - Firm Financial Footing over the Longer Term –both proposals will result in an increased use of our assets, maximising the income earning opportunities for the appointed operators. The tennis proposals will produce a better return for the Council and the athletics proposal will reduce the Council's annual deficit.

4.8 Environmental/Climate Change Implications

4.8.1 There are limited impacts arising from these proposals.

4.9 Analysis of the effects on Equality

4.9.1 Summary of the EIA for tennis: - the proposals will require operators to run inclusive tennis programmes to include activities for older people, young people and women and girls. This will have a positive effect on equalities. There could be a potential negative impact for older people and people without access to the internet in terms of the proposals to introduce online booking systems. However, this is mitigated as the proposals allow for people to book courts over the phone in addition to online. A further negative impact could arise in respect to people on lower incomes and the proposal to introduce charges. This impact will be mitigated by the inclusion of affordable charges, free tennis slots and concessionary rates.

4.9.2 Summary of the EIA for athletics: - the proposals are unlikely to result in negative impacts. Everyone Active are experienced in the delivery of inclusive leisure programmes and the expectation is that the proposals are likely to result in more opportunities for groups such as women and girls, and people with disabilities to participate in athletics activities.

4.9.3 The EIA's for both sports provided as appendix five and appendix six.

4.10 Data Protection

4.10.1 There are limited implications for Warwick District Council. The procurement exercise for the appointment of the tennis operators will ensure that bidders are made aware of the legal responsibilities in relation to data protection.

4.11 Health and Wellbeing

4.11.1 The proposals seek to protect and enhance the Council's tennis and athletics facilities and expand the sporting activities delivered from the venues. This will result in positive improvements for residents' health and wellbeing.

5 Risk Assessment

5.1 A risk register is attached at Appendix Seven.

5.2 The greatest risks are set out below:

Athletics risks

Risk that we cannot negotiate an acceptable fee with Everyone Active for the temporary transfer of the track facility management. In this event, the Council continue with current arrangements for managing the track, with the associated costs

Tennis risks

Risk that Cabinet does not agree to implement recommendations in report, the Council will not be able to afford to maintain the courts to an appropriate standard in the future and will need to close the courts at some future date.

Risk that the funding application to the LTA for the booking and gate access system is unsuccessful. Likelihood of this risk occurring is assessed as low. However, if this risk did occur it would impact how players could book and pay for tennis and would also affect the ability of the operator to manage the programming, take payments for bookings and activities and would likely involve resorting to manual systems. Alternative funding would be sought from the Council and from external sources in the event of the LTA application being unsuccessful.

Risk that the introduction of charging for courts at Christchurch Gardens and Abbey Fields results in public opposition and/or leads to reduced use of courts. Mitigation includes setting of affordable pricing including concessionary rates and retention of proportion of free sessions, communication strategy for reasons for introduction of charging and increased marketing of tennis facilities.

Risk that people without a mobile phone will not be able to access tennis courts. Mitigation includes inclusion of facility for players without a mobile phone to book a court by telephoning a member of staff/the operator.

Risk that appointed tennis operators are not financially robust. Mitigation includes full financial checks as part of procurement process and regular contract reviews.

6 Conclusion/Reasons for the Recommendation

6.1 The recommendations will enable the Council to deliver savings against the current costs incurred in running the tennis and athletics facilities and in the case of tennis generate an increased income to be used for future maintenance

and enhancement of the courts. The recommendations will also see the delivery of community tennis programmes from all the District four venues and at the track, users will benefit from service improvements (e.g., booking systems and enhanced community programme of activities.)

- 6.2 In relation to football, the further work, will allow the Council to identify considered proposals with the aim of delivering savings needed to maintain provision of community football facilities.

Background papers:

Please provide a list of any papers which you have referred to in compiling this report and are not published documents. This is a legal requirement.

You must also supply these when submitting the report.

Supporting documents:

This is not a legal requirement but may assist others in identifying documents you have referred to in producing the report.

- SLL report
- Consultation feedback
- EQIAs
- Risk Register

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	9 th December 2021 – Cabinet	
Title of report	Outdoor Sports Review – Proposed revised delivery models for Council Owned Facilities	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)	4/11/21	Kenilworth Abbey and Arden Cllr Cooke Cllr Hales Cllr Illingworth Leamington Clarendon Ward Cllr Nicholls Cllr Cullinan Cllr Quinney Warwick Saltisford Cllr Morris Cllr Skinner
Portfolio Holder WDC & SDC *	4/11/21	Liam Bartlett, Portfolio Holder for Leisure, Tourism and Culture
Financial Services *	4/11/21	Mike Snow, Head of Finance
Legal Services *	4/11/21	Phil Grafton, Head of Law and Governance
Other Services		N/A
Chief Executive(s)	4/11/21	Chris Elliot, WDC
Head of Service(s)	4/11/21	Julie Lewis, Environmental and Operational Services Steve Partner, Assets
Section 151 Officer	4/11/21	Mike Snow, Head of Finance
Monitoring Officer	4/11/21	Phil Grafton, Head of Law and Governance
CMT (WDC)	4/11/21	Andrew Jones, Deputy Chief Executive
Leadership Co-ordination Group (WDC)	22/11/21	Cllr Day – Conservative Cllr Boad – Liberal Democrat Cllr Nicholls – Labour Cllr Davison – Green Cllr Falp – Whitnash Residents Association

Other organisations	Ongoing	Lawn Tennis Association Birmingham Football Association
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to :Cabinet / CouncilCommittee
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/Yes, Forward Plan item – scheduled for (date)
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility

Title: Outdoor Sport Review – Proposed Revised Delivery Models for Council Owned Facilities - Addendum

Lead Officer: Debbie Cole, Project Officer, Cultural Services 01926 456205, Rose Winship, Head of Leisure, Tourism and Culture

Portfolio Holder: Councillor Alan Rhead and Councillor Liam Bartlett

Wards of the District directly affected: Main Report: All of Warwick District. This Addendum: Leamington Clarendon

1. Addendum

1.1. It is proposed to add a new recommendation to this report as follows –

(7) That up to £20,000 is made available from relevant s106 funds that have been received by the Council in order to begin the preparation of a grant application to the Football Foundation for a new full-size artificial turf football pitch and new changing rooms at Newbold Comyn, on the understanding that a full report will be submitted to the February meeting of this Committee that explains the strategic need for this facility, that seeks additional funding to complete the application process and to provide match funding for the application itself and that seeks permission to apply for Planning Permission for this facility.

- 1.2. Recommendation 6 of this report is that further work is undertaken by officers to identify the optimum model for service delivery of the grass and synthetic pitches on a site-by-site basis. Officers to bring a further Cabinet report for consideration when proposals are defined.
- 1.3. Members will also be aware that the Masterplan for Newbold Comyn that was presented to Cabinet on 17 November 2020 included a full-size artificial turf football pitch (ATP) as part of the new facilities.
- 1.4. Members are reminded that the Council has decided that each element of the Masterplan for Newbold Comyn will be brought forward as a discrete package of work, as and when the funding opportunities arise. The football pitch is therefore a discrete package of work within the Masterplan. It is not funded other than as described in this Addendum.
- 1.5. An opportunity has arisen to prepare an application to the Football Foundation for grant aid to assist with the financial cost of installing the ATP and new changing rooms at Newbold Comyn. In order to make such an application, it is necessary to prepare the design of the new facility, to carry out surveys of the land concerned and to apply for Planning Permission. These steps all take time, and the initial design work and site surveys are the first steps in the process.
- 1.6. If an application to the Football Foundation is successful and the facility is built, it will represent a valuable source of income for the Council, regardless of the

model for service delivery that is selected. It is important, therefore, that the process is begun as soon as possible.

- 1.7. This Addendum seeks to take advantage of the opportunity that has arisen in order to get on with the initial steps in preparing such an application. These include initial design work and site surveys. The work is proposed to be funded from s106 funds that have been received by the Council for the development of outdoor sport. The amount of money requested by this Addendum has been deliberately kept as low as possible, consistent with getting on with this important project.
- 1.8. It is proposed that a full report is submitted to the February meeting of the Cabinet that explains the strategic need for this facility, that seeks additional funding to complete the application process and to provide match funding for the application itself and that seeks permission to apply for Planning Permission for this facility.
- 1.9. The additional funding to complete the application process and the application for Planning Permission will be sourced from identified s106 funds that have already been received by the Council. The match funding for the application itself will also be sourced from s106 funding. The full details will be provided in the February report.
- 1.10. There is a risk that the money spent on the initial steps of this project would be wasted if the Cabinet did not agree to the recommendations in the report in February to continue with the project and with the application to the Football Foundation. That is why these project development costs have been kept to a minimum. This risk will be mitigated by only spending what is necessary to get the application underway and to progress it between the dates of this Cabinet and the meeting in February.
- 1.11. There is a risk that the application to the Football Foundation may not be successful. However, the fund to which we are proposing to apply is a solicited fund, meaning that the Football Foundation invite specific applicants to apply for funding. They also assist such applicants in ensuring their application is appropriate to receive funding. The risk of an application failing in these circumstances is small.

Officer/Councillor Approval

Please complete and submit to Democratic Services with addendum

Officer Approval *required	Date	Details of consultation /comments received
Portfolio Holder WDC & SDC *	02/12/21	Councillor Alan Rhead Councillor Liam Bartlett
Financial Services *	01/12/21	Mike Snow
Legal Services *	02/12/21	Hassan Hafiz
Other Services	02/12/21	Ruth Hytch
Chief Executive(s)	30/11/21	Chris Elliott
Head of Service(s)	02/12/21	Rose Winship
Section 151 Officer	01/12/21	Mike Snow
Monitoring Officer	02/12/21	Phil Grafton
CMT (WDC)	30/11/21	Chris Elliott
Leadership Co-ordination Group (WDC)		
Other organisations		None
Does this addendum contain exempt info/Confidential? If so, which paragraph(s)?		No
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility

Cabinet
9 December 2021

Title: Outdoor Sports Review – Proposed Revised Delivery Models for Council Owned Facilities – Addendum 2

Lead Officer: Debbie Cole, Project Officer, Cultural Services 01926 456205, Rose Winship, Head of Leisure, Tourism and Culture

Portfolio Holder: Councillor Liam Bartlett

Wards of the District directly affected: All of Warwick District

1. Addendum

Following the publication of the report, there have been some updated figures that are useful to be shared with Members.

The figures are significantly different from those in the report but officers have been trying to get clarification from the finance system for some time with the complications of the change over from Total to Ci Anywhere.

Tennis courts:

We are aware that VP Tennis have challenged the costs associated with the tennis Pavilion;

The report states that the costs are £33k (2019/20). Interrogation of Total has shown that these figures apply to both the tennis pavilion and the bowls pavilion. Splitting the costs out has been difficult as many of the costs relate to corporate contracts and just appear on Total as monthly invoices from contractors.

However, a more accurate picture is that the estimated costs associated with the tennis pavilion are £10k pa for 2019/20. The expenditure for the tennis pavilion could vary year on year depending on responsive repairs and planned maintenance.

Officers feel that this amended figure does not fundamentally change the recommendations in the report i.e. that expenditure remains significantly more than income across the tennis facilities in the District. Even if we ignore the pavilion costs entirely, then the GM costs alone are £24k compared to income of £2000 - £3000 pa.

Athletics track:

The report states the following:

Expenditure: £183k

Income: £20k

Cost to WDC £163k

Addendum 2 to Agenda Item 10

On further investigation, the total costs of £183k include Notional Interest and Depreciation costs

SO if these are removed – the operational costs are as follows:

Expenditure	£69k
Income	£20k
Cost to WDC	£49k

Again, whilst there is a significant reduction in the attributable costs, the rational remains that the facility is being subsidised by a significant sum. The ongoing negotiations with EA are looking to reduce this cost to the Council.

Addendum 2 to Agenda Item 10

Officer/Councillor Approval

Please complete and submit to Democratic Services with addendum

Officer Approval *required	Date	Details of consultation /comments received
Portfolio Holder WDC & SDC *	09/12/21	Liam Bartlett, Portfolio Holder for Leisure, Tourism and Culture
Financial Services *	09/12/21	Mike Snow, Head of Finance
Legal Services *	09/12/21	Phil Grafton, Head of Law and Governance
Other Services		
Chief Executive(s)		Chris Elliot, WDC
Head of Service(s)		Julie Lewis, Environmental and Operational Services Steve Partner, Assets
Section 151 Officer		Mike Snow, Head of Finance
Monitoring Officer		Phil Grafton, Head of Law and Governance
CMT (WDC)		Andrew Jones, Deputy Chief Executive
Leadership Co-ordination Group (WDC)		
Other organisations		None
Does this addendum contain exempt info/Confidential? If so, which paragraph(s)?		No
Accessibility Checked?		File/Info/Inspect Document/Check Accessibility

Appendix Two

Tennis: - Background and Context

1. The Council owns four tennis venues across the District. The current provision is summarised as below:-

Location	Courts	Management arrangements
Victoria Park – Leamington	10 courts, 5 floodlit with changing pavilion	Operated by VP Tennis under licence, offering membership scheme and court hire for non-members (£5ph)
Abbey Fields – Kenilworth	5 courts (with basketball hoop on one court)	None
Christchurch Gardens – Leamington	4 courts (court x used for basketball)	None
St Nicholas Park – Warwick	2 courts	Operated by Everyone Active as part of wider leisure contract Court hire at £12 ph.

2. The facilities at Victoria Park, Christchurch Gardens and Abbey Fields need improvement and a programme of refurbishment is currently in place to address this. Work is ongoing with the Lawn Tennis Association (LTA) to deliver these improvements.
3. The courts at Christchurch Gardens and some courts at Victoria Park were resurfaced in 2020. The remaining courts at Victoria Park are due to be resurfaced following the Commonwealth Games next year. In Abbey Fields the courts will be resurfaced following the completion of the new swimming pool in 2023.
4. In addition to the booking and gate access system allowing residents to pre-book courts and the Council is also aiming to install new fencing at Victoria Park and Christchurch Gardens.
5. A funding application is being submitted to the LTA for additional funding for these improvements to supplement the allocation in the Council's Assets Reserve for the resurfacing of Victoria Park courts.
6. The current costs to the Council to run the tennis venues far outweighs the income generated as summarised in the table below.

Expenditure for 2019/20	
Victoria Park Pavilion	£33,038
Grounds maintenance Victoria Park	£12,338
Grounds maintenance Abbey Fields, St Nicholas Park, Christchurch Gardens	£12,495
Total Expenditure	£57,871
Income	
VP Tennis licence fee	£2,100
VP Tennis flood lights	£822
Total income	£2,922
Total annual deficit	£54,949

7. Given the limited income currently realised from the venues, there is no scope to establish a reserve to fund either annual maintenance or future refurbishments for works such as resurfacing. For reference: the recent refurbishment work at Christchurch Gardens totalled approx. £58,000.
 Whilst there is currently funding available from the LTA, there is no guarantee of future funding and the LTA are keen to ensure that Local Authorities adopt sustainable financial models, as part of their assessment of current funding applications.
8. The Options Appraisal report identified several other issues relating to the current tennis offer as described below.
9. There is no consistent service delivery model for tennis from the 4 venues. Victoria Park is the only Council venue to offer a programme of activities including coaching. Charges apply at Victoria Park and St Nicholas Park at different rates, and the courts at Abbey Fields and Christchurch Gardens are free.
10. There is also limited opportunity to collect data about how the courts are currently used, making service planning difficult. There is no current strategy for tennis development, despite feedback from the LTA and SLL that there is significant potential to grow participation in tennis in the District.

Appendix Three

Athletics: - Background and Context

1. WDC owns Edmondscote athletics track in Leamington Spa comprising:
 - 8 lane 400 metre track, long jump pits and runways, pole vault facility, hammer and discus cage, high jump, shot circles and javelin runways.
 - A pavilion with toilets and changing facilities and function room.
 - Limited car parking (approximately 34 spaces)
 - Outdoor toilets, storage containers, "the gym".
2. A track attendant is contracted through the grounds maintenance contract to staff the facility (including opening and closing, low level maintenance and supervision during activities).
3. The facility requires significant modernisation and the access to the site and parking is limited. As part of the Europa Way development there are plans to relocate the facility next to the proposed stadium, however it is estimated that any relocation will not take place for at least 2 – 3 years. (A decision on a relocation is anticipated 2022.)
4. The costs to the Council to run the athletics venue far outweighs the income received. As shown in the table below, the facility was run at a deficit of approx. £163k for the last full year of operation prior to the pandemic.

Expenditure – 2019/20	
All expenditure (excluding grounds maintenance) *	-£140,726
Grounds maintenance	-£11,531
Track attendant costs	-£31,080
Total Expenditure	-£183,337
Income	
Club and casual fees	£20,141
Gym equipment hire	£263
Total income	£20,404
Total deficit	-£162,933

*Includes repairs and maintenance, rates, insurance, utilities, statutory testing for legionella etc.

5. As can be seen from the above table, limited income is received from bookings. This is reflective of the fact that the facility is used by a small number of clubs and the charges are comparatively low compared to other athletics venues.
6. The venue needs modernisation requiring considerable investment. A condition report from 2017 of the athletics facilities (excluding the pavilion) identified that significant investment is required to keep the athletics facilities operational beyond 2022. In terms of the pavilion building, a review was recently undertaken by Frank Whittle Partnership which estimated that approx. £500k

would be required to refurbish the existing pavilion if the track were to remain at this site.

7. The SLL report identified that there are several other issues which are hampering the Council's ability to increase income and increase use of the facility by the community. These issues include the manual customer booking and payment systems, and limited publicity and marketing. In addition, there is no phone line and Wi-Fi connection to the site and the lack of any refreshments for sale on site, is a missed opportunity to generate income.

Summary of Results of Public Tennis Consultation

October 2021

1. Background:

- 1.1 The Council has undertaken a public consultation on the future management arrangements of the Council owned tennis courts within the District.
- 1.2 There are currently 21 courts within the District, located in four venues in Leamington, Warwick and Kenilworth. The Council is developing proposals to introduce a new management model for the courts to ensure long term sustainability of the courts for residents.
- 1.3 The objective of the consultation was to seek views on: -
 - Proposals to appoint one or more tennis operators to manage the tennis venues within the District to run community tennis programmes, and
 - The principle of introducing charges for courts in Christchurch Gardens and Abbey Fields in order to increase income to fund the ongoing and future upkeep of courts
- 1.4 The public consultation consisted of an online survey in which members of the public were invited to answer a series of questions and give their opinions on the proposals. The consultation was publicised by a press release and social media posts. In addition, posters informing the public about the survey were displayed at each of the four venues. The consultation ran Tuesday 28th September to Sunday 24th October 2021. In total there were 224 members of the public who submitted the survey responses.
- 1.6 The proposals for consultation are part of a wider initiative to improve Council courts, which also includes plans to install a booking and gate system where users can book and pay (where necessary) for courts. This will mean that players will be guaranteed an allocated playing slot. Other improvements include court resurfacing at Victoria Park and Abbey Fields.
- 1.7. Separate to the public consultation, the Council also received a number of emails about the proposals. 11 VP Tennis members contacted Cllr Bartlett, Portfolio Holder for Leisure, Tourism and Culture to express their views on the proposals. A summary of their views is below:
 - VP Tennis should be allowed to operate until the end of their contract in 2026.
 - That the coaching available has had a positive effect on fitness and mental health during the recent pandemic and lockdowns.
 - That all courts should be available for use and kept in good condition.
 - Concerns over accessibility of clubhouse at Victoria Park for wheelchair users and those with restricted mobility.
- 1.8 In addition the Friends of Christchurch Gardens have also submitted their views to the proposal. A summary of views is detailed below:
 - Proposals will reduce the use of the courts.
 - Concerns that gate access system will negatively impact basketball players.
 - Concerns about whether access to free sessions would work effectively.
 - Storage for the free racquets and balls.
 - Suggestion that instead of charging for courts corporate sponsorship could be sought to generate income.

2. Summary of results

In total 224 people submitted survey responses.

Below is a summary of the results and feedback.

2.1. Question 1 asked the participants to indicate how often they use the WDC tennis courts within the District.

219 People answered this question, 5 skipped.

The results showed that in both summer and winter months the majority of respondents use the courts on a weekly basis, closely followed by monthly.

2.2. Question 2 asked respondents to indicate if they are a member of VP Tennis club.

This question was asked to understand what proportion of survey participants were general users or members of VP Tennis club.

219 People responded to this question, 5 skipped.

Are you a member of VP Tennis Club?	Response	Response %
Yes	56	25.57%
No	163	74.43%
TOTAL	219	

2.3. Question 3 asked participants to indicate any current barriers that restrict them from playing more tennis.

158 people responded to this question, 66 skipped.

There were a variety of responses which have been summarised below:

- None – keep the facilities as they currently are
- Fitness, injury, age and finding time during their daily lives
- Current court conditions are an issue, with the quality of playing surfaces and lack of floodlighting being a major factor.
- Lack of availability of affordable coaching and beginner programmes, particularly for adults who wish to learn.
- Not being able to arrive and play, waiting times for courts.
- VP Tennis feels off putting to members of the public who want to play casually and not take on a membership.
- Current court cost at St Nicks Park being overpriced.

2.4. Question 4 asked respondents for their thoughts on the proposal to appoint one or more operators for the tennis courts.

208 people answered this question, with 16 skipping it and not supplying an answer.

Below is a summary of the responses:

- A number of VP Tennis members stated that they were happy with the current way that VP Tennis is operated and would not like to see it changed.
- It makes sense to have a uniformed approach across all sites.
- More support requested in terms of coaching programmes and access for those on lower incomes.
- Just under half of respondents did not support the proposal to appoint operators.
- A small number of people commented that they would like to see the courts remain as they are with no booking.

2.5. Question 5 asked respondents about other activities requested from an operator.

150 people answered this question, 74 skipped.

Below is a summary of the responses:

- Programmes for adult beginners was the most requested
- Children and young player sessions
- Older player coaching
- 1-2-1 coaching services
- Leagues/ladders
- Other suggestions were for cardio tennis, social events, basketball and padel tennis.

2.6. Question 6 asked participants for their views on the principal of charging for a court booking at Christchurch Gardens and Abbey Fields.

208 people answered this question, with 16 skipping and not supplying an answer.

The responses reflect a range of views and the following is a summary of the responses:

- Just over half of the people appreciate there is a need to charge to keep the courts available and well maintained.
- Costs to be affordable to allow all to be able to take part.
- Charges should be the same across all sites and should not be too expensive (St Nicks was mentioned here at a cost of £12.50)
- Just under half of the responses disagreed and would like to see the courts remain as they are.

2.7. Question 7 asked participants for comments on any other issues, points or concerns relating to these options/proposals?

A summary of the responses follows:

- Keep charges low and affordable
- VP operate well and should remain in place
- WDC should keep to promises of improving the courts

- Install floodlighting for safe evening use.
- The courts should be kept free during the weekends.
- Kingsley School (who use Christchurch Gardens) should be charged for their usage, as should any other business.
- Questions on how those without access to technology will be able to place booking.

3. Demographic data of respondents.

3.1 Age

218 people answered this question, 6 skipped.

Age	Responses	Response %
Under 25	15	6.88%
25 - 34	24	11.01%
35-44	57	26.15%
45-54	53	24.31%
55-64	38	17.43%
65-74	20	9.17%
75-84	11	5.05%
85 or over	0	0.00%
TOTAL	218	

3.2 Gender

218 Respondents supplied an answer to this question, 6 skipped.

Gender	Responses	Response %
Male	107	49.08%
Female	104	47.71%
Other	0	0
Prefer not to say	7	3.21%
TOTAL	218	

3.3 Ethnic Group

217 people responded to this question and 1 skipped.

Ethnic Group	Responses	Responses %
White	186	85.71%
Mixed or multiple ethnic groups	8	3.69%
Asian or Asian British	9	4.15%
Black, African, Caribbean or Black British	1	0.46%
Prefer not to say	10	1.38%
Other	3	
TOTAL	217	

3.4 Disability

219 people answered this question, 5 skipped.

Do you consider yourself to have a disability?	Response	Response %
Yes	8	3.65%
No	200	93.32%
Prefer not to say	11	5.02%
TOTAL	219	



EQUALITY IMPACT ASSESSMENT (EIA)

Tennis provision for WDC Courts

Service/policy/strategy/practice/plan being assessed: Tennis Provision for WDC Courts.

Business Unit/Service Area: Sports Team, Cultural Services, Warwick District Council.

Is this a new or existing service/policy/strategy/practice/plan?

Existing provision. Proposal is to change the service delivery model. No previous EQIA

EIA Review team – list of members:

Debbie Cole, Project Officer.

Rose Winship, Head of Cultural Services.

Do any other Business Units/Service Areas need to be included?

No

Date of assessment: August/September 2020

Are any of the outcomes from this assessment likely to result in complaints from existing services users, members of the public and/or employees?

If YES please let your Head of Service and the Customer Relations Team know as soon as possible.

Yes – as the proposals include the introduction of charging for courts which are currently free to use (Abbey Fields and Christchurch Gardens) and a change of operator from public sector to private sector.

DETAILS OF SERVICE/POLICY/STRATEGY/PRACTICE/PLAN

Scoping and Defining

1. What are the aims, objectives and outcomes of the service/policy/practice/plan?

The anticipated outcomes of this project are: -

- Introduction of a gate access and booking system to all WDC owned tennis sites making it easier for customers to book courts. Residents will have the facility to book the courts either online (using a mobile phone or computer) or by telephoning the Council/operator to book over the phone. If booking online, an access code will be sent to the mobile phone. Alternatively, the player will be given the access code over the phone. On arrival to the courts, residents will need to input the code into the gate access unit to gain entry to the courts. The gate access unit will be positioned at a suitable height to ensure that wheelchair users can reach the keypad
- Introduction of customer charges to use the courts at Christchurch Gardens and Abbey Fields to generate an income to be used for future maintenance of courts. Some free access to these courts will be retained. (NB the courts at Victoria Park and St Nicholas Park already have a charge for casual use.) It is proposed that charging is not implemented until after the completion of remaining refurbishment works.
- Procurement of an operator/operators for the four sites to manage the sites, deliver coaching programmes and activities and enable casual tennis use.
- Provision of a range of coaching services to members of the public and tennis camps during holiday times – to be included in the specification. This will include an equipment hire service for customers who do not own rackets or balls.

The aim of these changes is to

- Increase participation in tennis in the District
- Improve access to the courts through introduction of a consistent booking system
- Reduce revenue costs to the Council, by generating an increased income from tennis provision to ensure financially sustainable service

Increasing participation in tennis can result in multiple benefits, including improving residents' health and wellbeing, improving children's sporting literacy, increasing opportunities for healthy family activities, links to reducing crime, antisocial behaviour and unemployment.

2. Who are the customers?

- Residents and visitors to the District
- Existing casual users of the tennis courts
- VP Tennis Club members
- Local schools and community groups

3. How has equality been considered in the development or review so far?

- The purpose of the review is to ensure consistent equitable access to all the courts across the District. This will be addressed by the introduction of a booking system to enable a more structured use of the court facilities.
- The booking system allows for people without a mobile phone or access to the internet to book over the phone.
- The proposed arrangements for future charging will allow for the inclusion of free sessions and concessionary rates to ensure that people on low incomes can continue to use the courts.
- The positioning of the keypad access unit will be low enough to allow all users, including people using wheelchairs to reach the keypad
- The proposal to introduce coaching programmes will also encourage more people to take part in tennis.

Further planned resident consultation will provide additional customer feedback for consideration.

4. What is the reason for the change/development?

- A desire to improve the tennis offer for residents and visitors by making the courts easier to book and by offering a range of coaching and activities on the courts

- A need to reduce the revenue costs of the current provision by generating an increased income, to enable future capital investment to protect the future provision of tennis.
- There is currently no comprehensive strategy or delivery mechanism for a tennis development programme in Warwick District. This proposal will overcome this issue.

5. How does it fit with Warwick District Council's wider objectives?

- WDC is committed to equal opportunities and diversity and to ensure that no person receives less favourable treatment on the grounds of gender, race, colour, nationality or national origin, ethnic origin, marital status, disability, sexual orientation, gender reassignment, age, economic status, political or religious beliefs or responsibility for dependants. The Council will regularly review the way we deliver services to ensure we continuously improve opportunities for everyone to access them.
- The Fit for the Future Framework, with particular reference to the Health & Well Being theme states its strategic aim as "To enable and encourage the people of Warwick District to have an equal access to a healthy life and sense of wellbeing, ensuring that our actions are aligned with the Warwickshire Health & Wellbeing Board's Strategy". Increased participation in physical activity plays a significant role in achieving this aim.
- The review of the tennis offer is part of a wider appraisal of the Council's outdoor sports provision. This work has taken place against a background of increasing pressure on the Council's finances, and some changes resulting from Covid 19.

6. Why might it be important to consider equality and the protected characteristics?

To ensure that proposed changes to the service provision do not adversely impact access to tennis across the population of the area. With reference to its tennis Courts, the Council wishes to ensure that it takes all reasonable steps to remove barriers for customers and protected equality groups to be able to take part in tennis and broaden participation in this sport.

Information Gathering

7. What sources of data have you used?

You must keep a record of any data you have currently used as supporting evidence

- Lawn Tennis Association data (Ready to Rally – Parks) provides information about barriers to participation, satisfaction of existing park tennis players, feedback about online booking and gate access systems and comparative data about use of facilities following implementation of booking and gate access systems.
- WDC Outdoor Sports - Options Appraisal (2021). This review involved consultation interviews with the following stakeholders in relation to the existing provision and options for improving and extending the tennis offer across the District
 - WDC Cultural Services Team
 - WDC Neighbourhood Services Team (Green Spaces)
 - Everyone Active – Leisure Provider
 - Idverde (Ground maintenance contractor.)
 - Churchill Cleaning (Cleaning contractor)
 - VP Tennis (local tennis club)
 - Local tennis coach
 - Lawn Tennis Association (suggesting local clubs support proposal.)
 - I2cTennis
 - Kenilworth Tennis, Squash and Croquet Club

The interviews indicate support for the use of a booking and gate access system, understanding of the need to introduce some further charges and a welcoming of the implementation of tennis programmes.

In addition, it is understood that VP Tennis Club collect some data which may inform this assessment.

8. What does the data you have tell you about your customers and about protected equality groups?

As half the of courts are free to use and with no booking system in place, we have limited direct access to data about the users of the tennis courts and therefore limited information about the user profile, including protected equality groups.

- The lack of a booking system is a barrier to current participation for residents (LTA data)
- There is no current provision for disability tennis on District courts. There are also opportunities to introduce other community initiatives such as walking tennis which can open up tennis to older people or people who need more time, or people returning from an injury
- There is the opportunity to increase competitive events for children in the District

9. What do you need to know more about?

The following groups were identified as being most likely to be impacted by the potential change;

- Age – older people and children
- Disability
- Race

It would be useful therefore to understand feedback from these groups to the proposals

10. How could you find this out and who could help you?

General resident feedback, via consultation exercise
Consultation with groups representing age, disability and race.

Engagement and Consultation

11. Who have you consulted with from protected equality groups?

Following consultation with the Community Partnership Team, the following groups were contacted to obtain views about the proposals

- Sikh community centre (numerous older people groups for both genders)
- Youth alliance group-
- The Gap community centre

12. Who else could you consult with?

- Local residents
- Tennis Courts current users
- WDC Leisure Centre Users
- VP Tennis Club (initial consultation completed for Options Appraisal)
- Friends of Parks Groups
- Lawn Tennis Association (LTA) (initial consultation completed for Options Appraisal)
- Town Councils
- Everyone Active (initial consultation completed for Options Appraisal)
- Local Tennis Clubs (initial consultation completed for Options Appraisal)
- Local Schools
- Local Councillors

13. Who can help you to do this?

WDC Media Team

LTA

Local Councillors

Cultural Services Business Support Team

Monitor and Evaluate

14. Who have you consulted with from protected equality groups?

To be completed

15. Analysis of impact and potential actions:

Protected characteristics from the Equality Act 2010	What do you know? Summary of data about/feedback from your service-users and/or staff	What does this mean?		What can you do? All potential actions to: <ul style="list-style-type: none"> • Eliminate discrimination/mitigate negative impact • Advance equality of opportunity • Foster good relations
		Positive impacts identified (<i>actual and potential</i>)	Negative impacts identified (<i>actual and potential</i>)	
Age	LTA data suggests the appointment of a tennis operator(s) to run tennis programmes and gate access system will increase participation in tennis, including for older people and children.	Programmes to include walking tennis, and children's activities and competitions provide more opportunities	Some older people may find booking the courts online challenging.	<p>Ensure any new contract with an operator allows provision for older people and children, e.g. walking tennis and children's tournaments</p> <p>The booking system will include the option for people to book over the telephone for people without phones or less confident to book online</p>
Disability	There is no current provision of disabled tennis sessions and therefore introducing sessions is likely to be welcomed.	Providing disabled tennis sessions will open access for disabled tennis players to play.	No	<p>Ensure any new contract with an operator allows provision for disabled people</p> <p>The keypad for the gate access system will positioned at a suitable height to enable people using a wheelchair to reach the pad.</p>
Sex	Nationally the barriers to women and girls taking part in sports are recognised and	Women and girls will have more opportunities to	None identified	We will work with the operators and LTA promote the tennis offer to all sexes including women and girls

Protected characteristics from the Equality Act 2010	What do you know? Summary of data about/feedback from your service-users and/or staff	What does this mean?		What can you do? All potential actions to: <ul style="list-style-type: none"> Eliminate discrimination/mitigate negative impact Advance equality of opportunity Foster good relations
		Positive impacts identified (<i>actual and potential</i>)	Negative impacts identified (<i>actual and potential</i>)	
	this is reflected in less women and girls taking part in activities than men and boys	take part in activities		
Race	Sport England data evidence that South Asian, Black and many other ethnic origins are least likely to take part in activities	People from non-white ethnic groups will have more opportunities to take part in activities	None	We will work with the LTA and new operators to ensure that the new tennis offer is attractive and promoted to BME groups.
Religion or belief	Sport England data evidence that people who have no religion are more likely to be physically active compared to those that belong to a faith group.	People from faith groups will have more opportunities to take part in activities	None	We will work with the LTA and new operators to ensure that the new tennis offer is attractive and promoted to faith groups.
Gender				See above
Re-assignment				
Pregnancy and Maternity				See above

Protected characteristics from the Equality Act 2010	What do you know? Summary of data about/feedback from your service-users and/or staff	What does this mean?		What can you do? All potential actions to: <ul style="list-style-type: none"> • Eliminate discrimination/mitigate negative impact • Advance equality of opportunity • Foster good relations
		Positive impacts identified (<i>actual and potential</i>)	Negative impacts identified (<i>actual and potential</i>)	
Sexual orientation				See above
Marriage and Civil Partnership <i>(Note: only in relation to due regard to eliminating unlawful discrimination)</i>				See above

The Council will require the new tennis operator(s) to run an inclusive programme of tennis activities. The Council will continue to work with the LTA to understand opportunities to remove barriers to people from protected equality groups using the tennis courts and taking part in the programmes.

The introduction of charging for court hire may disproportionately impact protective characteristic groups. This risk will be mitigated by the inclusion of some free sessions and concessionary rates from some groups, such as people on a low income.

16. Outcomes of Equality Impact Assessment

Action	Timescale	Responsibility
Carry out public consultation exercise to understand in more detail views of residents, including people in protected characteristic groups	Autumn 2021	Debbie Cole, Project Officer
Ensure that the proposed contract for a tennis operator allows for tennis opportunities for children, older people and people with disabilities	January 2023	Debbie Cole/Rose Winship
Ensure that the proposed contract for a tennis operator protects access to continued free tennis and concession rate sessions to enable people on low incomes to continue to use the facilities.	January 2023	Debbie Cole/Rose Winship
Consult with protected equality groups listed in section 14 to understand current use, barriers and demand for specific activities	Autumn 2021	Debbie Cole, Project Officer

Date of next review: [April 2022](#).

Name and signature of Officer completing the EIA:

Debbie Cole

Debbie Cole, Project Officer

Name and signature of Head of Service:

Rose Winship

Rose Winship, Head of Cultural Service

NEXT STEPS: Once completed, share the document with your Head of Service to gain their signature.



EQUALITY IMPACT ASSESSMENT (EIA)

Temporary transfer of management for Edmondscote Athletics Track

Service/policy/strategy/practice/plan being assessed: Edmondscote Athletics Track – proposed transfer of management to Everyone Active

Business Unit/Service Area: Cultural Services, Sports Team

Is this a new or existing service/policy/strategy/practice/plan?

If an existing service/policy/strategy/practise/plan, please state date of last assessment.

Existing provision. Proposal is to change the service delivery model. No previous EQIA

EIA Review team – list of members:

Debbie Cole, Project Officer.

Rose Winship, Head of Cultural Services.

Do any other Business Units/Service Areas need to be included?

Neighbourhood Services (Grounds Maintenance contract with track attendant provision)

Date of assessment: August/September 2020

Are any of the outcomes from this assessment likely to result in complaints from existing services users, members of the public and/or employees?

If YES please let your Head of Service and the Customer Relations Team know as soon as possible.

YES - as the proposals could result in an increase of some prices. However, the Council will seek to protect prices for identified user groups, e.g. concessionary rates for juniors, seniors and people in receipt of income support.

DETAILS OF SERVICE/POLICY/STRATEGY/PRACTICE/PLAN

Scoping and Defining

1. What are the aims, objectives and outcomes of the service/policy/practice/plan?

The anticipated outcomes of this project are:-

- Securing a temporary arrangement with Everyone Active (the Council's existing leisure operator for leisure centres) to manage the athletics track site, for a period of approximately 2 - 4 years, until a decision is made on a permanent relocation of the track and/or the existing facility is relocated. This will include revised pricing structures
- A moderate change to the programme of use for the track facility including club and casual use and a range of community activities.
- Improvements to the service delivery model, including introduction of online booking and payment system and limited on-site refreshments to purchase (vending machines) and improved information and marketing of the facility
- Moderate improvements to the facility (subject to agreement and budget) to be undertaken by the interim operator, including addition of Wi-Fi and telephone connection, a refresh of the decorations.

The aim of these changes is to:-

- Reduce revenue costs to the Council, by generating an increased income from the athletics track to ensure a more cost-effective provision for the interim period
- Improve access to the facility by improving means of booking and paying for the facility
- Increase community use of the athletic track by local residents, sporting clubs and other community groups

Increasing participation in athletics can result in multiple benefits; including improving residents' health and wellbeing, improving children's sporting literacy, increasing opportunities for healthy family activities, links to reducing crime, antisocial behaviour and unemployment.

2. Who are the customers?

The facility is used predominantly by

- Leamington Cycling and Athletics Club and Leamington Athletics Academy. Kenilworth Runners use the track approximately once a week.

Other users making occasional use of the facility include local schools for sports days in the summer and periodic use for athletic events such as county athletics meetings.

There is limited use by individual members of the public and this is only available when the track attendant is present.

3. How has equality been considered in the development or review so far?

- The purpose of the review is to ensure improved access to the facility. This will be addressed by the introduction of a booking system and revised programming which will enable a more structured use of the facility.
- The proposed arrangements for future charging will allow for the inclusion of concessionary rates to ensure that people on low incomes can continue to use the facility. In addition, existing concessionary rates for juniors/seniors will be protected.
- The Council will endeavour to ensure that the proposed arrangement with Everyone Active results in an enhanced programme of coaching and community events to encourage more people to take part in athletics.

4. What is the reason for the change/development?

- A need to reduce the revenue cost to the Council of the current provision of the Edmondscote athletics facility during the medium term whilst a permanent solution is agreed for a future track facility for Warwick District.
- A desire to maintain and enable moderate enhancements to the athletics offer over an interim period. The required improvements include modernised booking and payment systems and an improved programme of use with the aim of enabling increased use of the facility.

5. How does it fit with Warwick District Council's wider objectives?

WDC is committed to equal opportunities and diversity and to ensure that no person receives less favourable treatment on the grounds of gender, race, colour, nationality or national origin, ethnic origin, marital status, disability, sexual orientation, gender reassignment, age, economic status, political or religious beliefs or responsibility for dependants. The Council will regularly review the way we deliver services to ensure we continuously improve opportunities for everyone to access them.

The Fit for the Future Framework, with particular reference to the Health & Well Being theme states its strategic aim as "To enable and encourage the people of Warwick District to have an equal access to a healthy life and sense of wellbeing, ensuring that our actions are aligned with the Warwickshire Health & Wellbeing Board's Strategy". Increased participation in physical activity plays a significant role in achieving this aim.

The review of the athletics operator arrangements is part of a wider appraisal of the Council's outdoor sports provision. This work has taken place against a background of increasing pressure on the Council's finances, and the recovery from Covid 19.

6. Why might it be important to consider equality and the protected characteristics?

To ensure that proposed changes to the service provision for athletics facilities do not adversely impact access to the service offer. With reference to the Council's athletics track, the Council wishes to ensure that it takes all reasonable steps to remove barriers for customers and protected equality groups to be able to take part in athletics and broaden participation in sport.

(NB there is a potential TUPE consideration in relation to the part time track attendant, employed by the Idverde.)

Information Gathering

7. What sources of data have you used?

You must keep a record of any data you have currently used as supporting evidence

- WDC Outdoor Sports - Options Appraisal. This review involved consultation interviews with the following stakeholders in relation to the existing provision and options for improving and extending the tennis offer across the District
 - WDC Cultural Services Team
 - WDC Green Spaces Team
 - Everyone Active
 - IdVerde
 - Churchill Cleaning Company
 - Local athletics clubs
 - Warwick Sports Partnership

The feedback collected confirmed the following:-

- Users find the booking system old fashioned and not user friendly
- The charges schedule could be improved to be more equitable and reflect the facilities used
- The facility is not well advertised
- There is interest from the commercial market in operating the track on a temporary basis
- There is broad agreement that the grounds maintenance arrangements for the track should remain as is

8. What does the data you have tell you about your customers and about protected equality groups?

The predominate use of the facility is by two athletics clubs. WDC has limited direct access to data about the users of these clubs. Some data may be available from the clubs and from the previous bookings for the site by other groups and individuals.

The old-fashioned booking system and limited information about the facility is likely to be a barrier to access of the facility.

9. What do you need to know more about?

It would be useful to know about the following:-

- Current user profile of the facilities

10. How could you find this out and who could help you?

Engagement with 2 x athletics clubs using the track, UK Athletics and in-house Business Support Team.

Engagement and Consultation

11. Who have you consulted with from protected equality groups?

To be completed once negotiations with Everyone Active are further developed

The protected equality groups most likely to be impacted by these proposals are Race, Age and Disability

- Queensway Community Centre
- Youth alliance group
- The Gap community centre
- Older people's housing scheme

12. Who else could you consult with?

Current users of the Track
WDC Leisure Centre Users
UK Athletics

Other local athletics groups
Local Schools

13. Who can help you to do this?

WDC Media Team
UK Athletics
Local Councillors
Cultural Services Business Support Team

Monitor and Evaluate

14. Who have you consulted with from protected equality groups?

To be completed

15. Analysis of impact and potential actions:

The transfer of the management of the track to Everyone Active is unlikely to have a negative impact on protective characteristic groups. Everyone Active is a national leisure provider and is experienced in running leisure facilities and activities which are inclusive and accessible to communities. Everyone Active has an increased capacity to promote activities and attract wider participation. This also extends to the running of activities and programmes targeted at different groups, such as children, or people with disabilities.

We will continue to work with Everyone Active to understand opportunities to remove barriers to people from protected equality groups to enable increased access to the track facility.

Protected characteristics from the Equality Act 2010	What do you know? Summary of data about/feedback from your service-users and/or staff	What does this mean?		What can you do? All potential actions to: <ul style="list-style-type: none"> • Eliminate discrimination/mitigate negative impact • Advance equality of opportunity • Foster good relations
		Positive impacts identified (<i>actual and potential</i>)	Negative impacts identified (<i>actual and potential</i>)	
Age	Everyone Active have more capacity than WDC to run activities aimed at children and older people	Younger and older people will have more opportunities to take part in activities	Some older people may find booking facilities on-line challenging.	Ensure any new contract with an operator allows provision for older people and children, e.g. "returning to" programmes and children's competitions The booking system will include the option for people to book over the telephone for people without phones or less confident to book online
Disability	Everyone Active have more capacity than WDC to run activities aimed at people with disabilities	Providing sessions for people with disabilities will open up access to these groups.	None identified	N/A

Protected characteristics from the Equality Act 2010	What do you know? Summary of data about/feedback from your service-users and/or staff	What does this mean?		What can you do? All potential actions to: <ul style="list-style-type: none"> • Eliminate discrimination/mitigate negative impact • Advance equality of opportunity • Foster good relations
		Positive impacts identified (<i>actual and potential</i>)	Negative impacts identified (<i>actual and potential</i>)	
Sex	Nationally the barriers to women and girls taking part in sports are recognised and this is reflected in less women and girls taking part in activities than men and boys	Women and girls will have more opportunities to take part in activities	None identified	We will work with Everyone Active and Athletics England to ensure that the athletics offer is attractive to girls/women in addition to boys/men. Where appropriate women only sessions could be considered.
Race	Sport England data evidence that South Asian, Black and many other ethnic origins are least likely to take part in activities	People from non-white ethnic groups will have more opportunities to take part in activities	None	We will work with EA and Athletics England to promote the athletics offer to BME groups
Religion or belief	Sport England data evidence that people who have no religion are more likely to be physically active compared to those that belong to a faith group.	People from faith groups will have more opportunities to take part in activities	None	We will work with EA and Athletics England to promote the athletics offer to faith groups

Protected characteristics from the Equality Act 2010	What do you know? Summary of data about/feedback from your service-users and/or staff	What does this mean?		What can you do? All potential actions to: <ul style="list-style-type: none"> • Eliminate discrimination/mitigate negative impact • Advance equality of opportunity • Foster good relations
		Positive impacts identified (<i>actual and potential</i>)	Negative impacts identified (<i>actual and potential</i>)	
Gender Re-assignment				See above
Pregnancy and Maternity				See above
Sexual orientation				See above
Marriage and Civil Partnership <i>(Note: only in relation to due regard to eliminating unlawful discrimination)</i>				See above

16. Outcomes of Equality Impact Assessment

Action	Timescale	Responsibility
Liaise with clubs currently using the facilities about any existing information already collected about users of the facilities	Quarter 1 2022	Debbie Cole, Project Officer
Consult with protected equality groups listed in section 14 to understand current use, barriers and demand for specific activities	Quarter 1 2022	Debbie Cole, Project Officer
Ensure that the proposed interim contract with operator allows for opportunities for children, older people and people with disabilities	Quarter 1 2022	Debbie Cole/Rose Winship, Head of Service
Ensure that the proposed contract for a tennis operator protects access to continued concession rate sessions to enable people to continue to use the facilities.	Quarter 1 2022	Debbie Cole/Rose Winship, Head of Service

Date of next review: April 2022

Name and signature of Officer completing the EIA:

Debbie Cole

Debbie Cole, Project Officer

Name and signature of Head of Service:

Rose Winship

Rose Winship, Head of Services

NEXT STEPS: Once completed, share the document with your Head of Service to gain their signature.

Risk Register - Outdoor Sports Review - Cabine

Item	Activity	Title
	Tennis	Procurement
	Tennis	Programme
	Athletics	Procurement
	Tennis	Change management
	Tennis	Charging
	Tennis	Financial sustainability of operators
	Tennis	Funding

Description	Status
Proposed procurement strategy is to procure one or more operators with potential for different operators at each site. There is a risk that the Council has limited capacity to manage several tennis operators. Mitigation will be to ensure robust contract management processes with each operator to ensure that efficient use of officer time.	Low
Court improvement works in Victoria Park courts are scheduled for Sept 22. This is likely to coincide with the timeline of the new operator(s). A delay with the improvement works could adversely impact the timeline for starting the operator contract. Close project management of the court improvement works will be required to reduce this risk.	Medium
The proposal is for a temporary variation of the Everyone Active contract to enable Everyone Active to manage facility on a temporary basis. If it is not possible to agree a suitable negotiation with Everyone Active, there is a risk that the Council will not be able to reduce the costs for running the facility or increase participation over the medium term until a permanent solution for the track is implemented.	Medium
Gate access booking system. There is a risk that people will take time to adapt to new system and this will reduce the use of courts. Also there is a risk that people without a mobile phone will struggle to access courts. This is regarded as low risk and the mitigation will be the communication strategy and the provision of clear instructions on how to use the new system, including information for people not able to book online on how to book over the phone speaking to a member of staff.	Low
Introduction of charges. There is a risk that the introduction of charging will reduce the use of courts. To reduce this risk, the Council will work closely with the LTA and operators to ensure that the charging policy is affordable and includes free sessions and concessionary rates.	Low
Risk that operators are not financially stable, leading to a withdrawal of service. To reduce this risk robust financial checks will be made as part of the procurement process and also as part of regular contract reviews	Low
Risk that LTA funding application for booking and gate access system is unsuccessful. Alternative funding would be sought from the Council and also externally. The contingency is for operators to fund and implement systems for bookings/payments.	Medium