

Council meeting: Monday, 13 December 2021

Notice is hereby given that a meeting of Warwick District Council will be held in the Slate, off Scarman Road, University of Warwick, CV4 7SH on Monday 13 December 2021, at 6.00pm.

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 of the Council held on 17 November 2021.
(To follow)

4. Communications and Announcements

5. Petitions

6. Notices of Motion

7. Leader and Portfolio Holders' Statements

8. Questions to the Leader of the Council & Portfolio Holders

9. Proposal to create a South Warwickshire District Council

(It is anticipated that the Chairman will take this item as the first item of business after Item 4 Communications and Announcements)

To consider the recommendations from the meeting of the Cabinet of 9 December 2021. The Council will be asked to consider a report that 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.

(The papers to be considered by the Cabinet on 9 December have been included in this agenda for ease of reference **(Pages 1 to 36 and Appendices 1-13)**)

Please note following the Cabinet on 9 December 2021 a summary of their decisions will be published [online](#), which will include any comments received from the Scrutiny Committees and responses to them.

10. Cabinet Report

To consider the report from Cabinet on 9 December 2021 regarding the Quarter 2 Budget Report
(To follow)

11. Appointments

To consider any nominations for appointments to Committees, Programme Advisory Boards or Outside Appointments of the new Warwick District Councillor following their election on 2 December 2021.

12. Common Seal

To authorise the affixing of the Common Seal of the Council to such deeds and documents as may be required for implementing decisions of the Council arrived at this day.



Chief Executive
Published Friday 3 December 2021

For enquiries about this meeting please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ

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Warwick District Council meeting
13 December 2021
Item 9 - Proposal to create a South Warwickshire District
Council

The following report and appendices are those presented to the Cabinet on 9 December 2021 for consideration. These are included for ease of reference in an anticipation of the Cabinet making recommendations to this Council meeting.

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.**
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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.

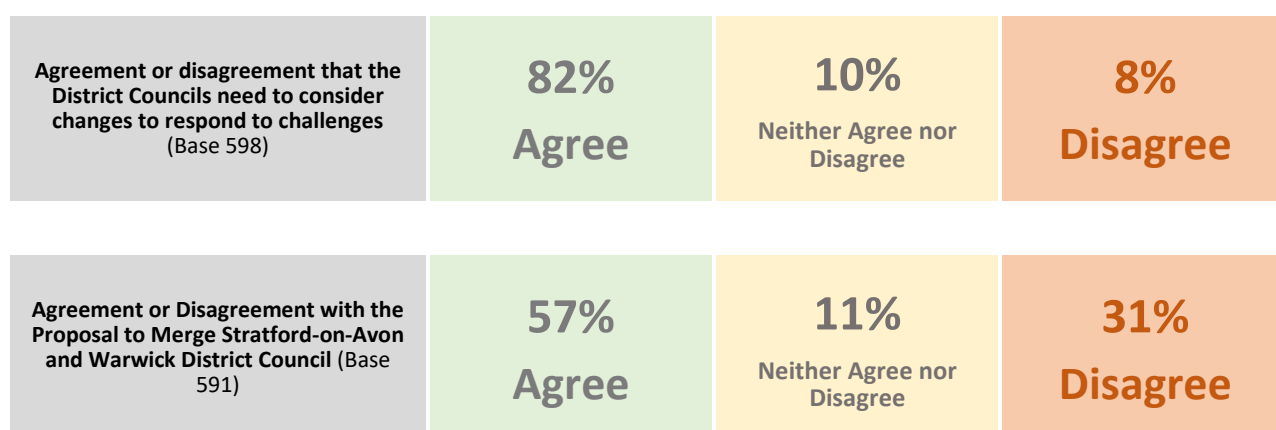
- **Open Consultation Questionnaire**

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.

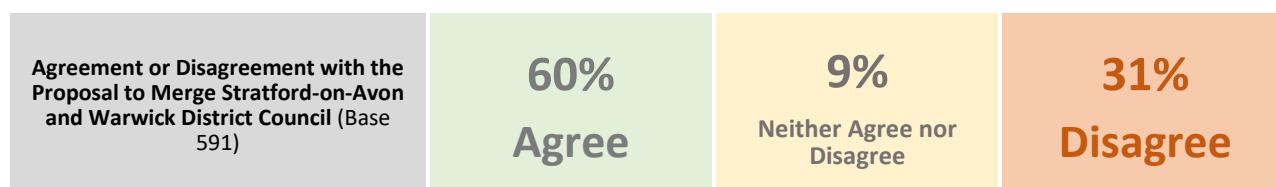
2.6.8 With the explanation of the reliance that can be placed upon the quantitative results explained above, a summary of the results of the two separate exercises is provided below.

2.6.9 Residents Telephone Survey

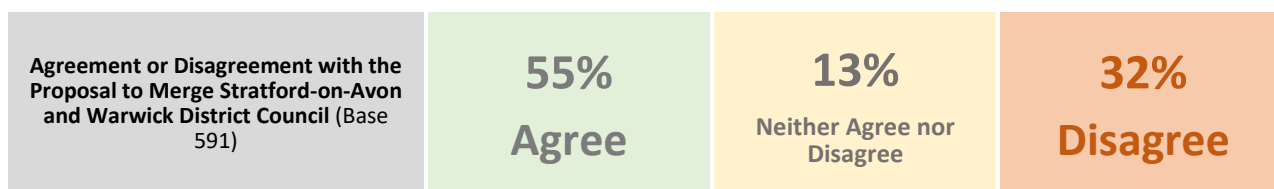


In relation to the responses from the telephone survey in the individual areas to the second question, the results from Stratford-on-Avon and Warwick varied as follows:

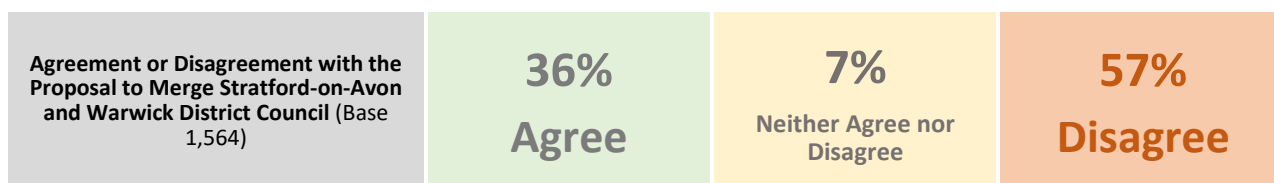
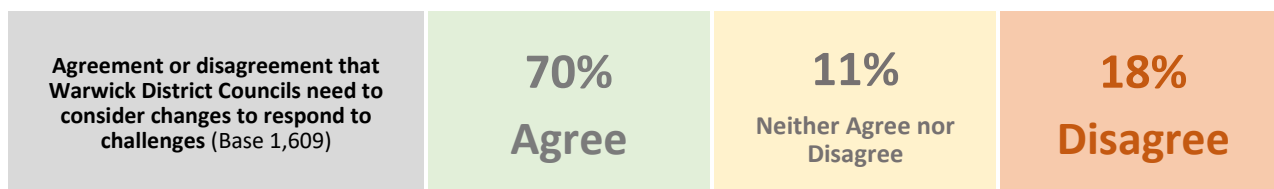
Stratford-on-Avon District Council area:



Warwick District Council area:

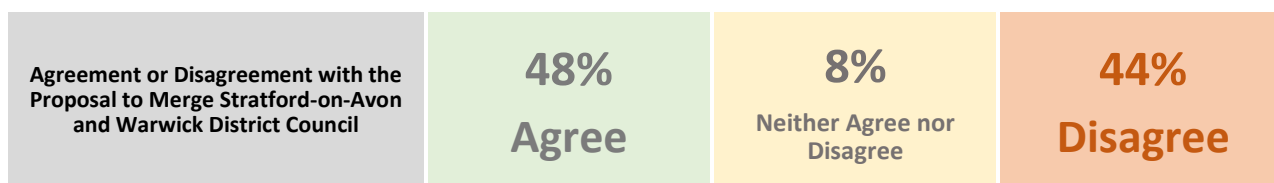


2.6.10 Open Consultation Questionnaire

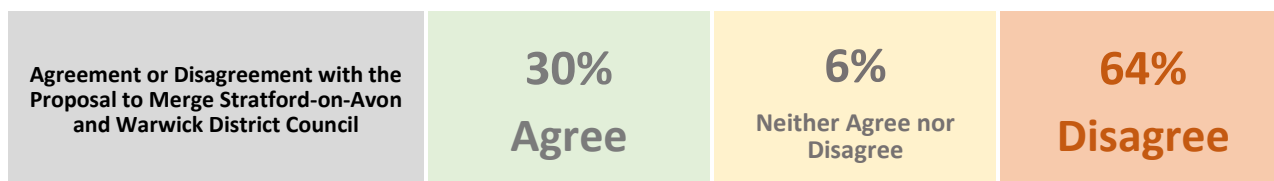


As with the residents' telephone survey, the results of the open questionnaire varied but more significantly so at the individual Council area level. These results are as follows:

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.

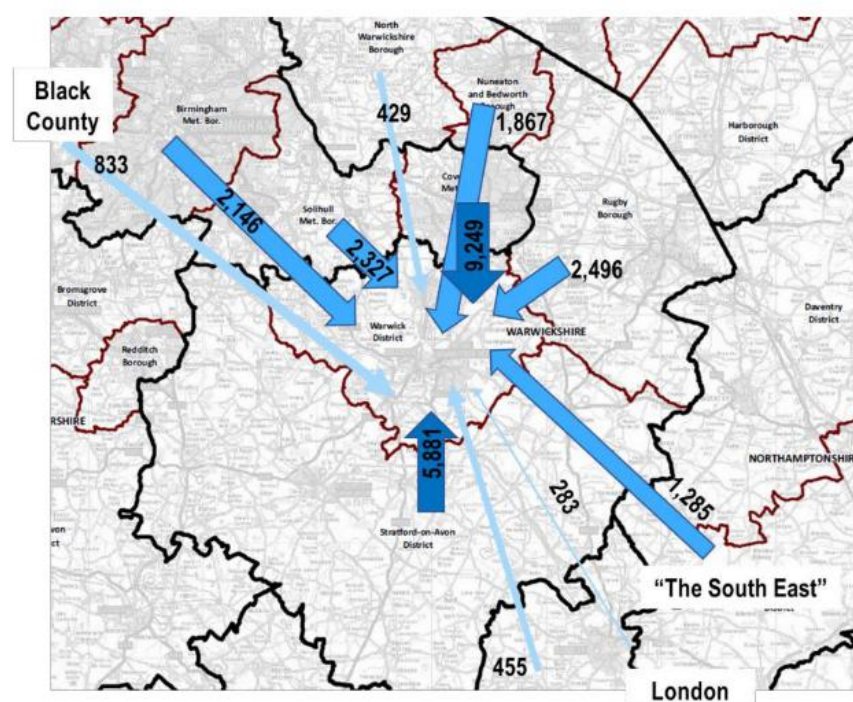
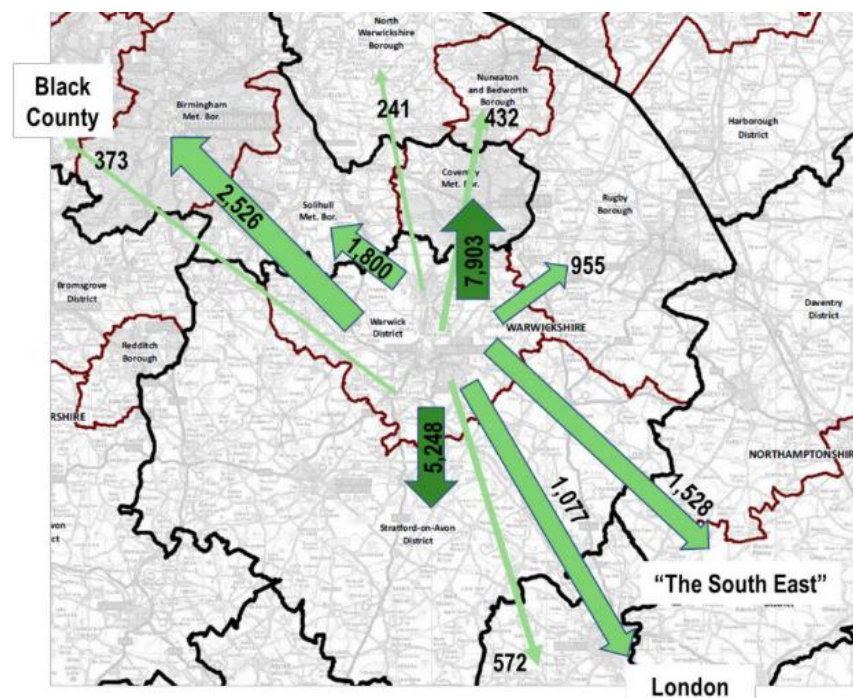
Travel to work data

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.

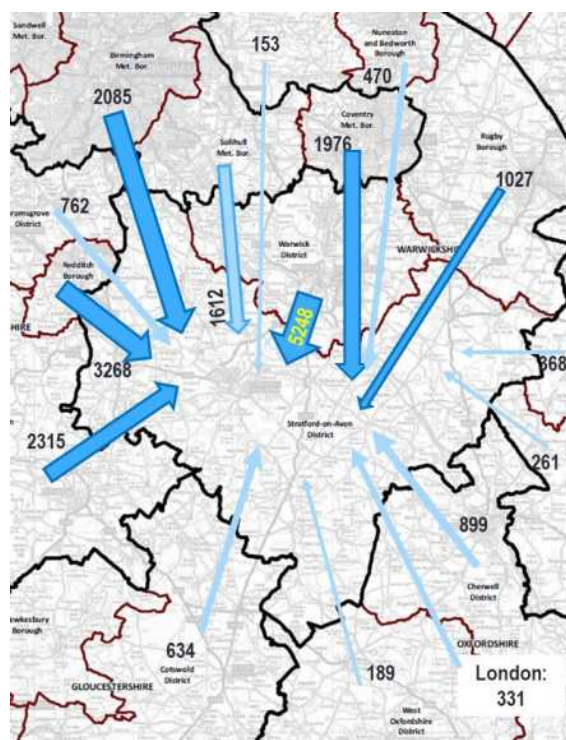
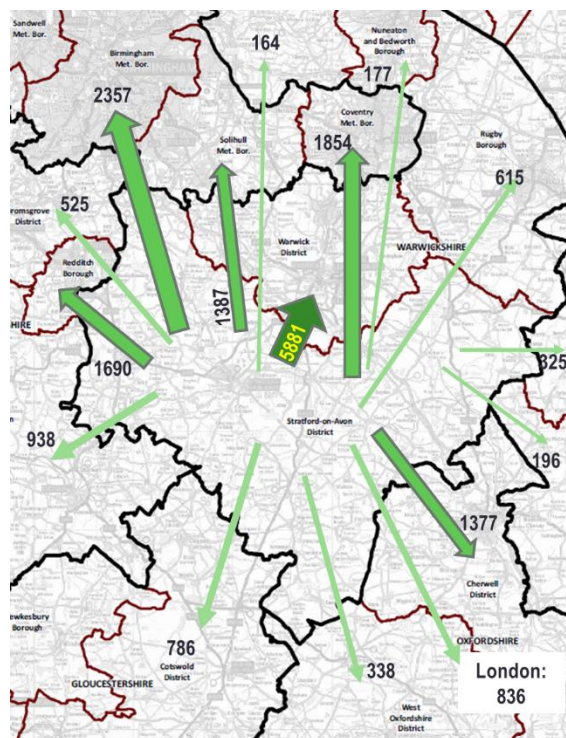


The maps below show the same commuting flows from the Stratford perspective.

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.

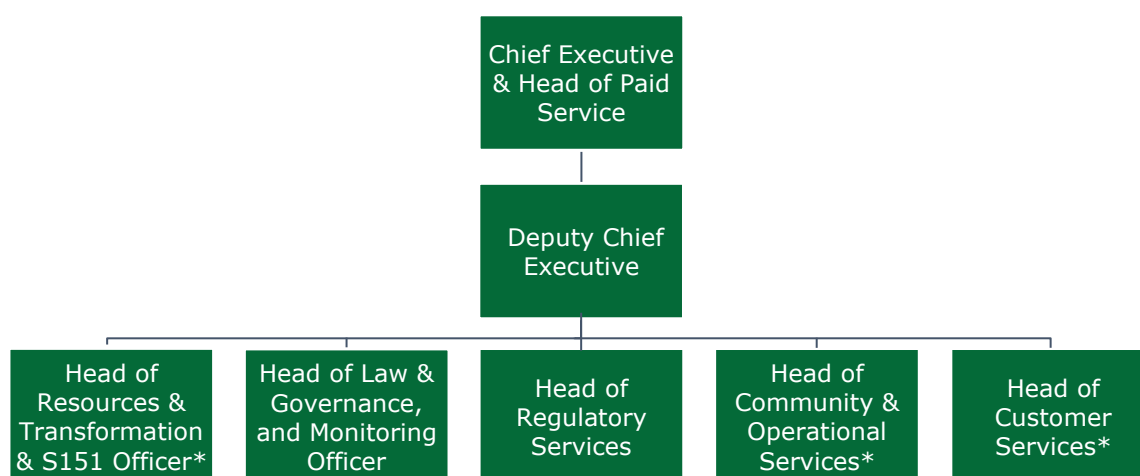
This model begins to make savings from Year 1, using the phasing assumptions made. It should be noted that some savings may be realised in later years, despite the change being made in Year 1.

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

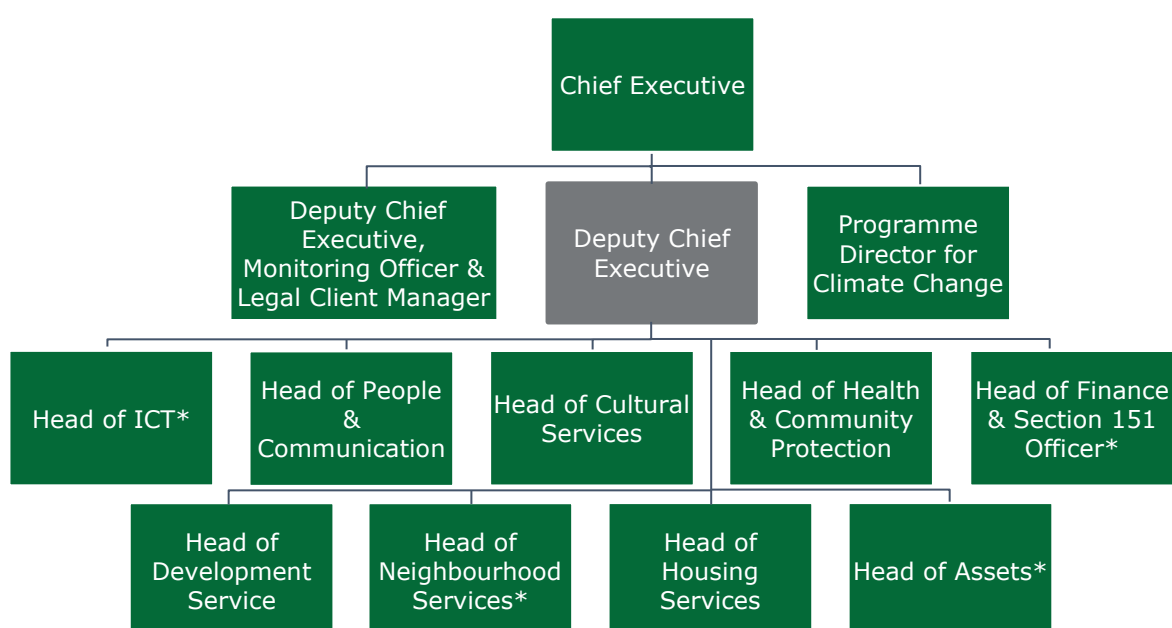
Management Team Savings

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



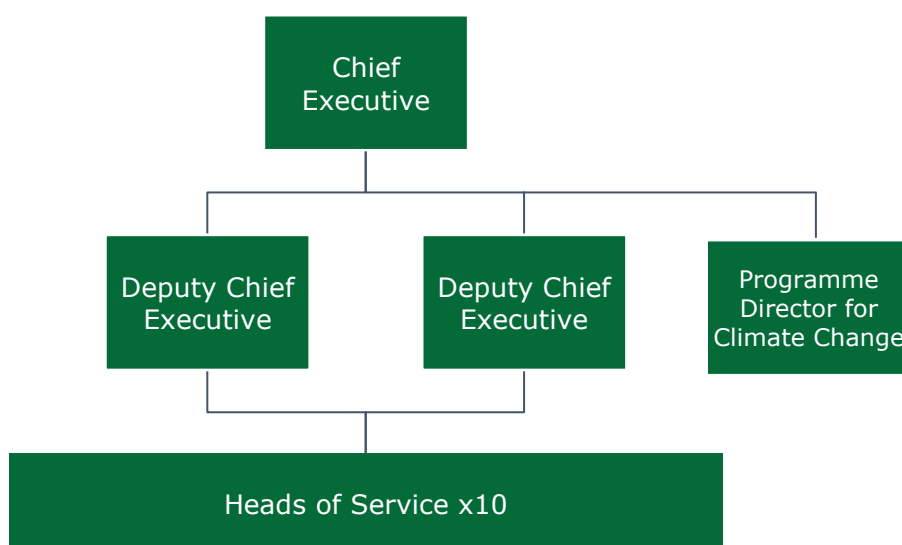
Please note the reduction of one Deputy Chief Executive post in Warwick (highlighted in grey in the diagram above) has already been proposed and is treated in a separate process. Any savings from this post have been excluded from the opportunity below.

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.

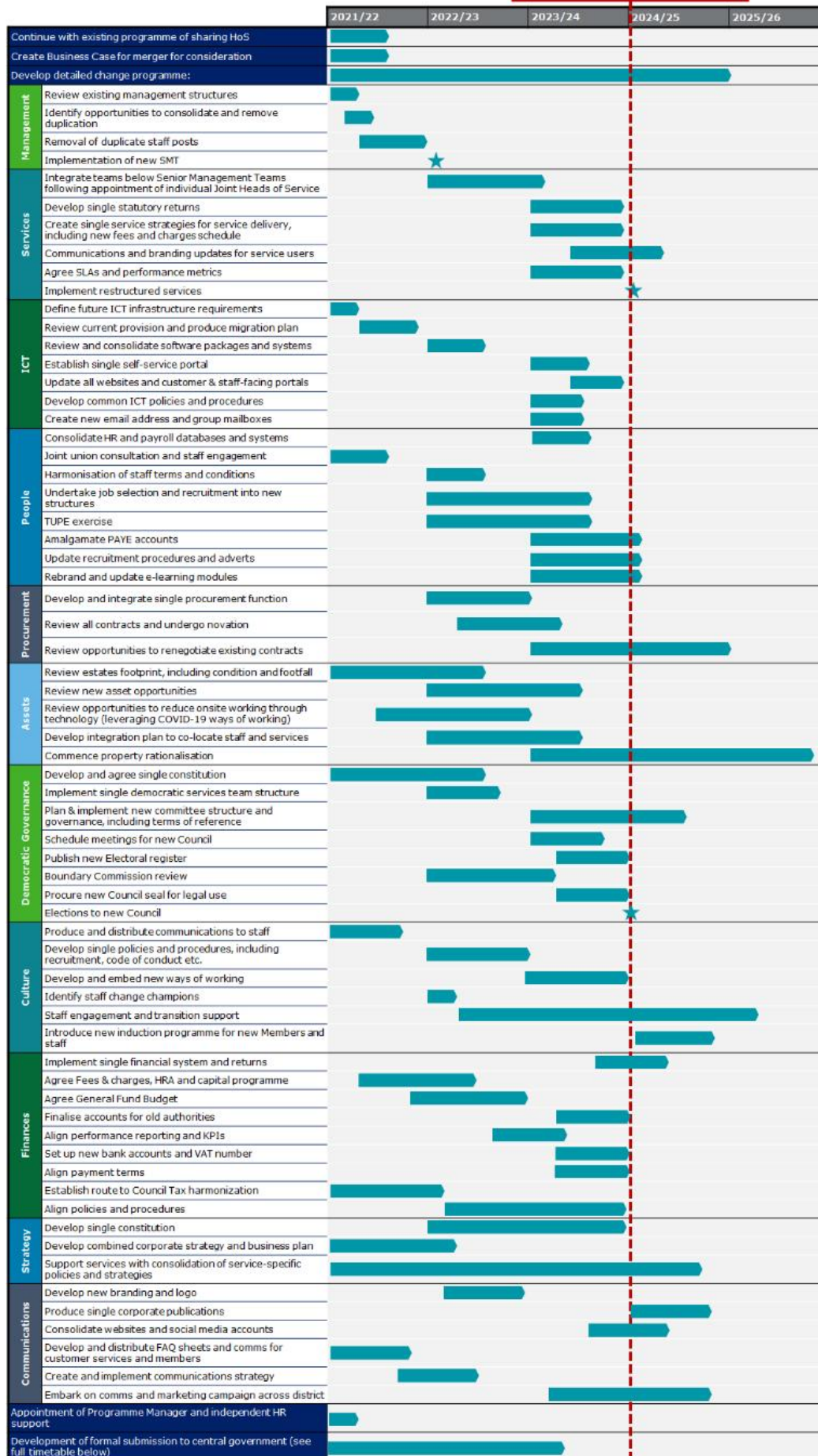
This outlines 11 proposed workstreams.

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

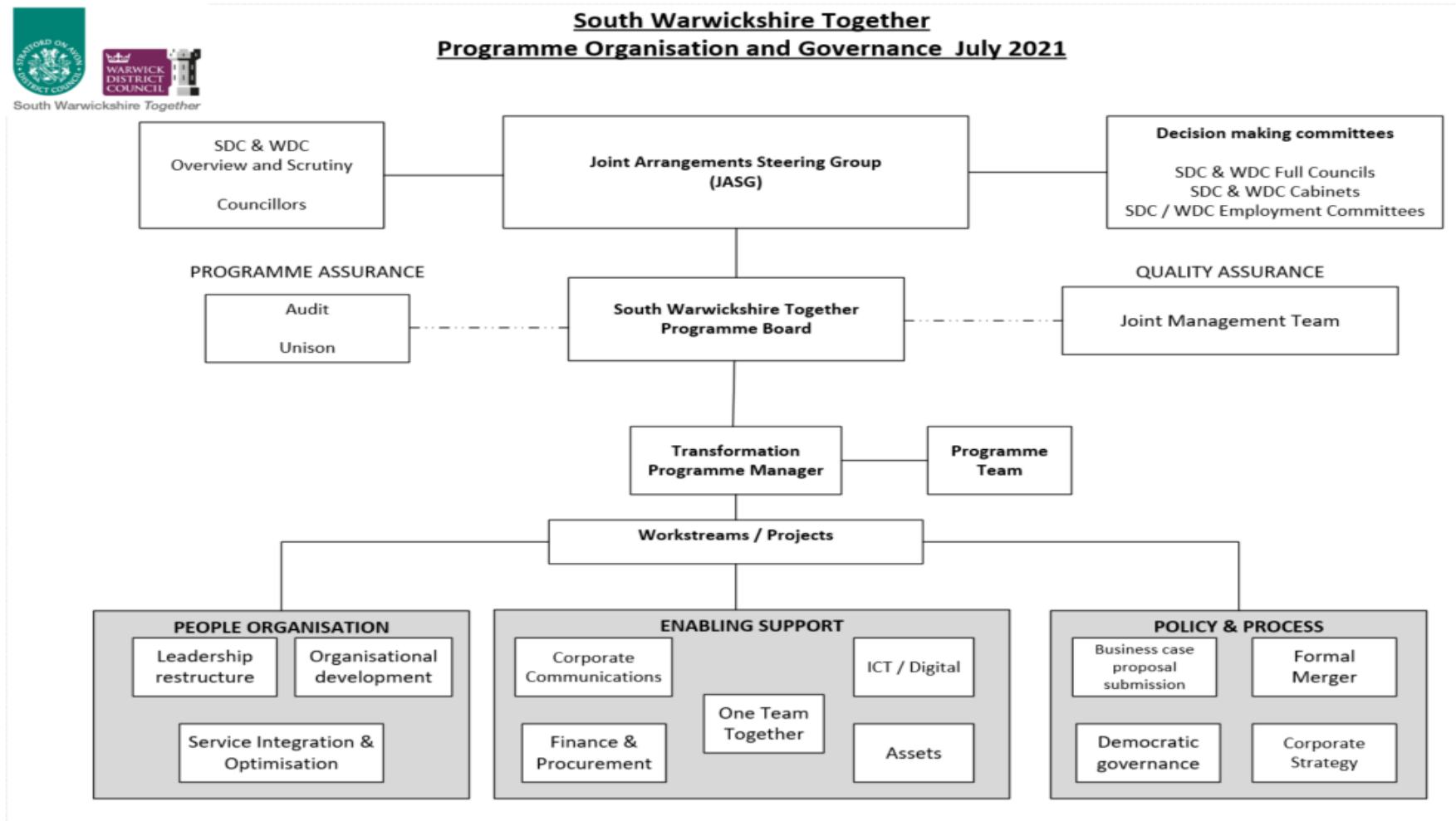
Appendix 2 Programme Implementation Plan (Outline)

Appendix 3 Programme Implementation Plan Gantt chart

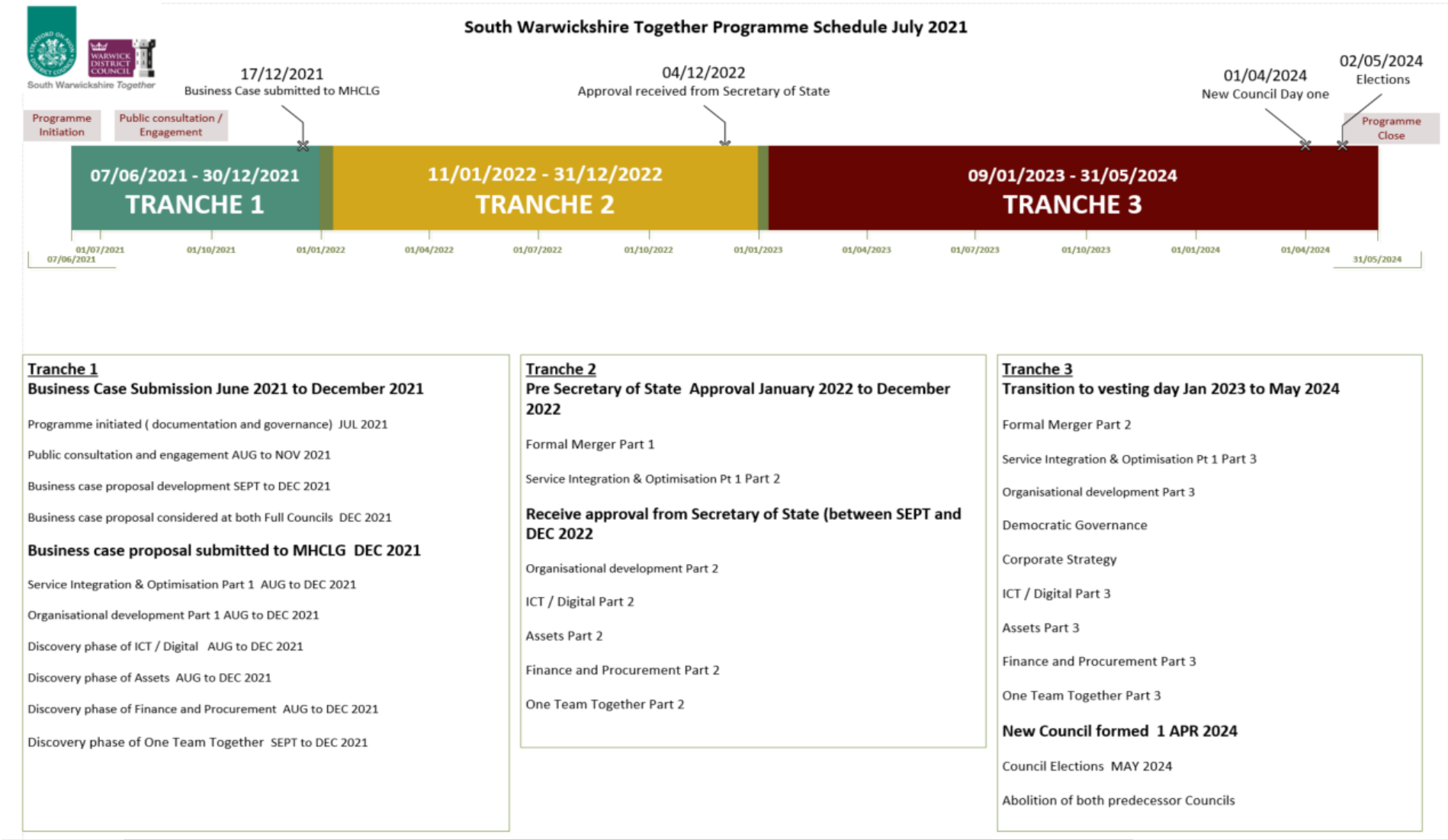
Appendix 4 South Warwickshire Together Programme Board Terms of Reference

Appendix 5 JASG Terms of Reference

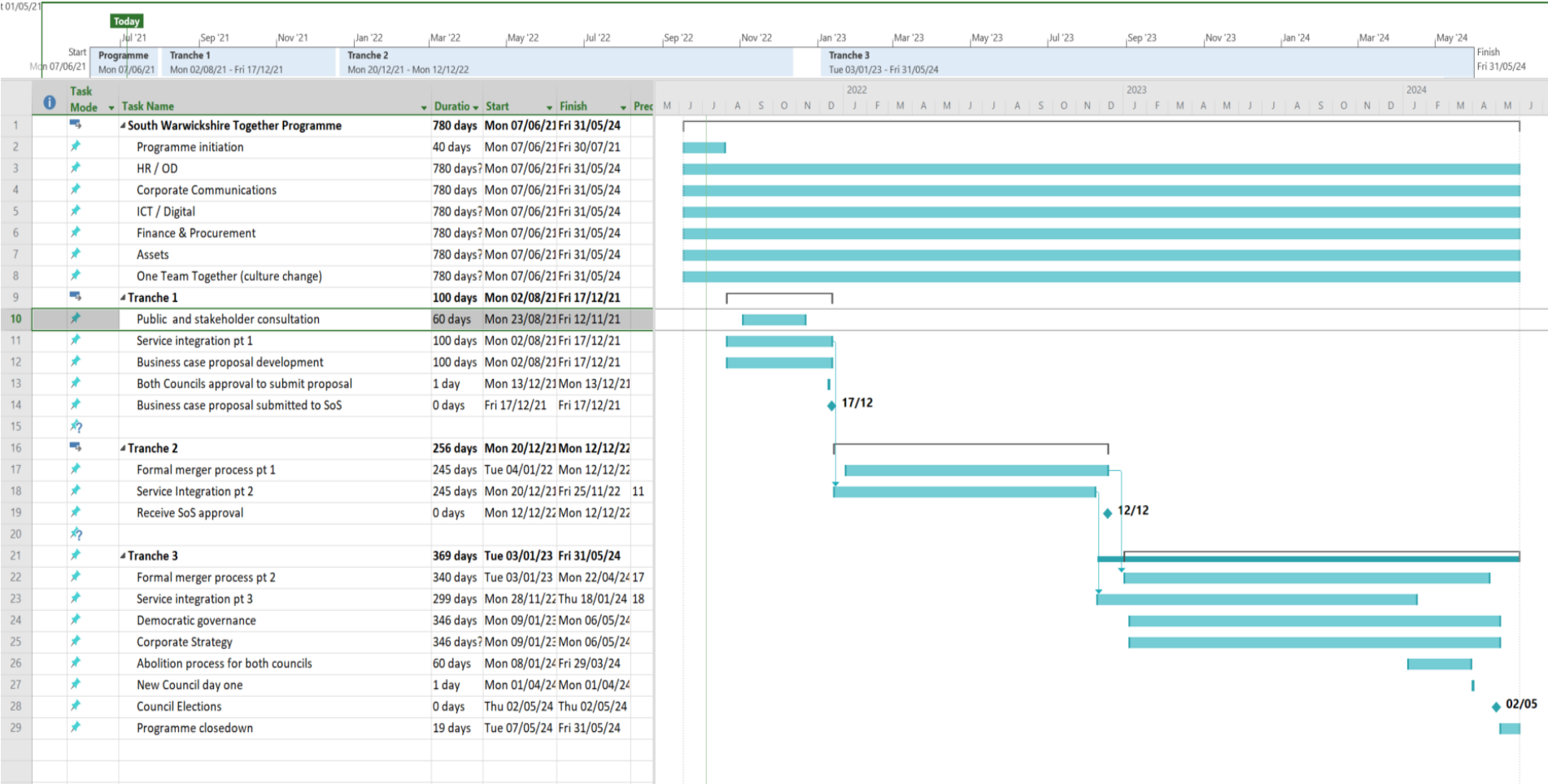
Programme Organisation and Governance Chart



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)
Terms of Reference****Membership**

- There are twelve members in total with six members from each Council, comprising:
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 - Emerging issues and risks together with proposed mitigation measures
- To recommend steps relating to the communication of matters relating to joint working
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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.

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

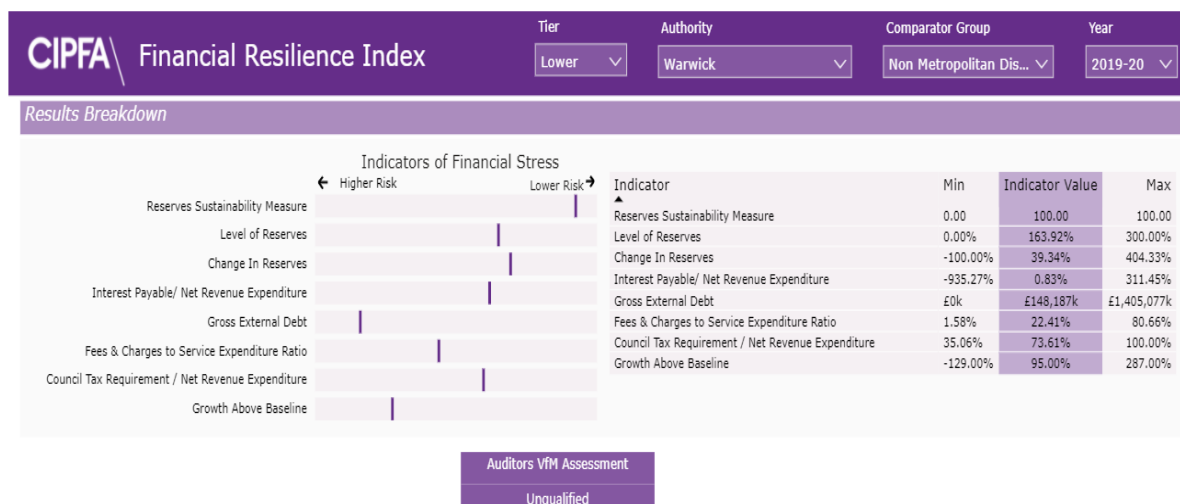
CIPFA produce an annual Resilience Index which looks at the risks facing councils across a number of headings. Such indices are limited, because of weaknesses in the data, the fact they are based on the past not the future, and because councils vary so much in how they manage and present their finances.

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.

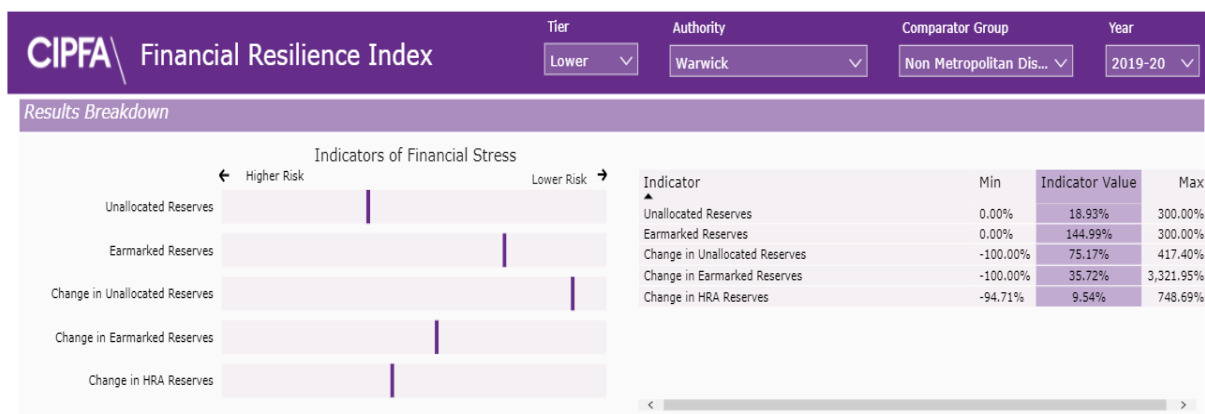
In the Index report, the vertical lines on the bar chart show the relative risk in the council on a ranged of indicators. The closer the line to the left hand edge of the graph, the higher the risk in that council.

Warwick DC.

Resilience Index 2021



Resilience Index 2021



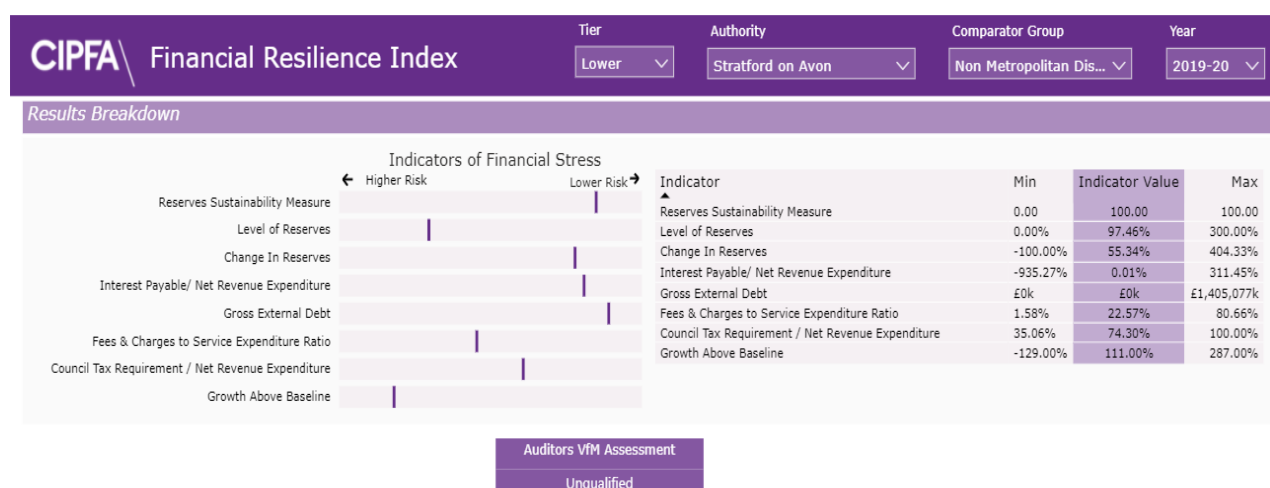
The results above are for WDC. It can be seen that none of its scores are very high risk (i.e. very close to the left hand side). It has high risk on gross external debt, but not to a level that causes concern, given the number of debt free district councils.

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.

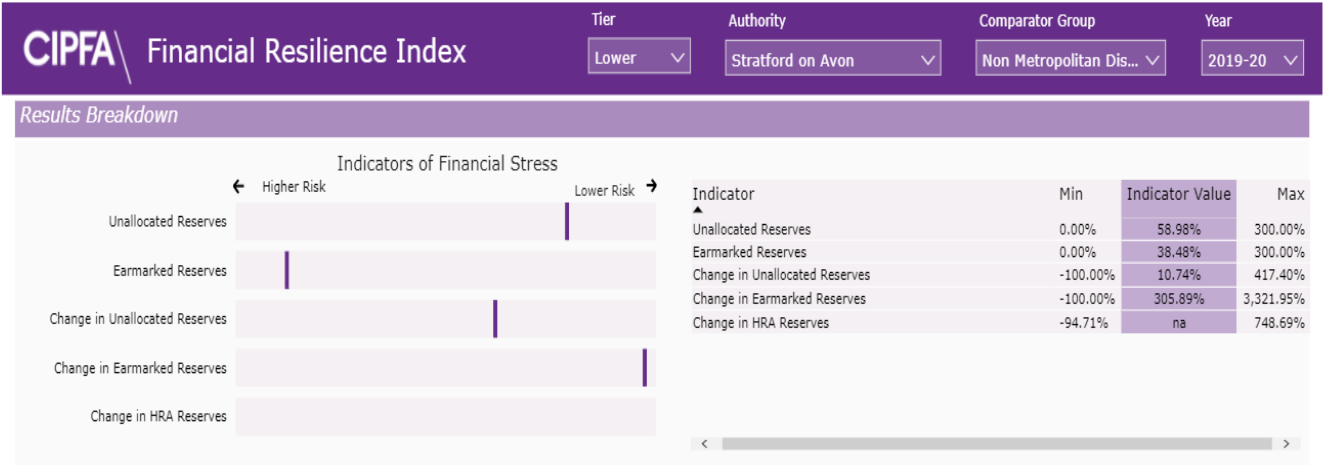
Stratford DC

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					

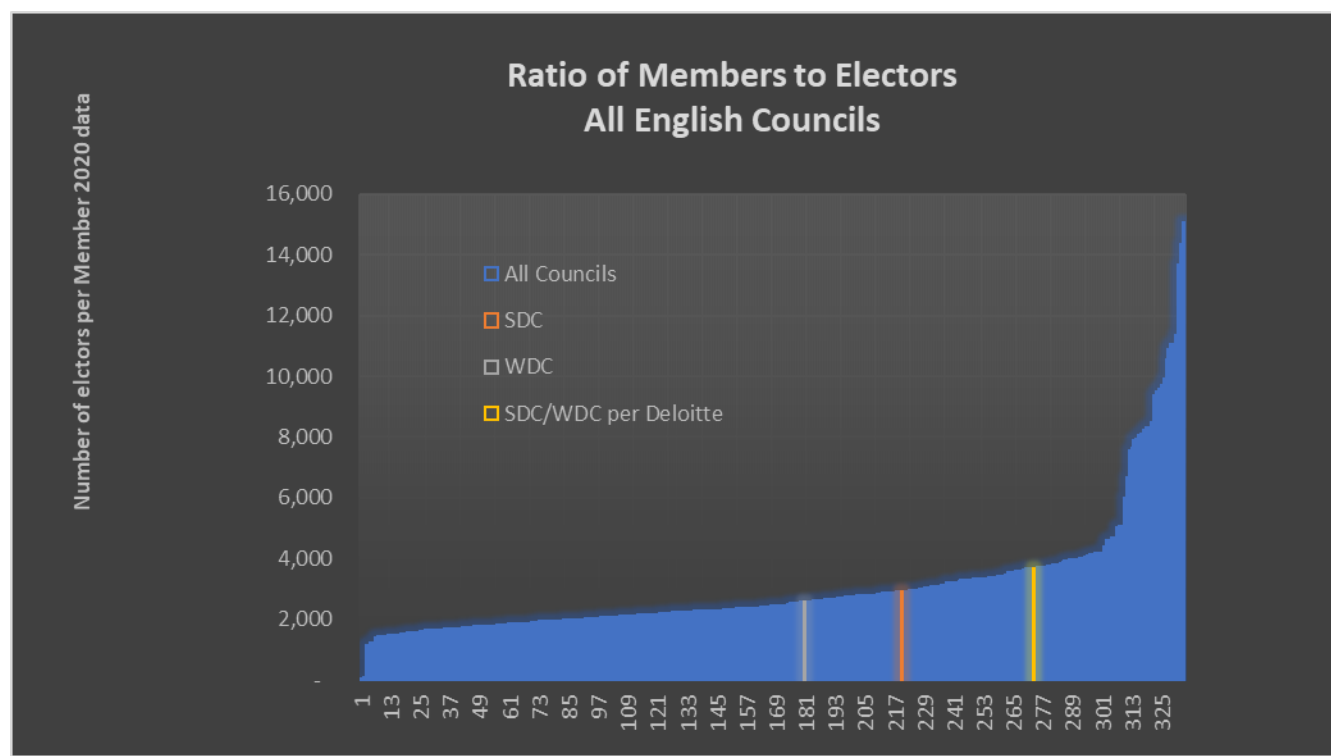
5. The Financial Benefits of Full Merger: Cost of Members.

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>	161	-
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>	187	-

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).

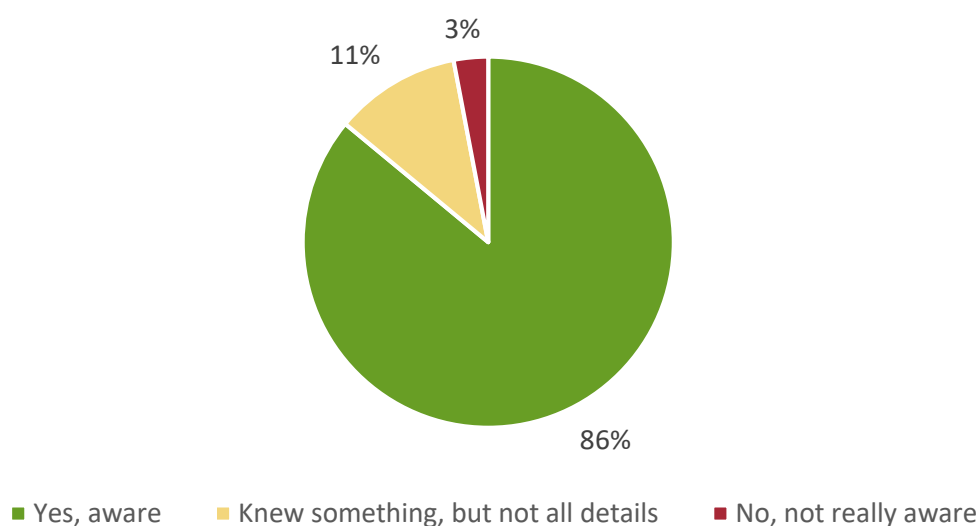
Main findings (individuals)

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

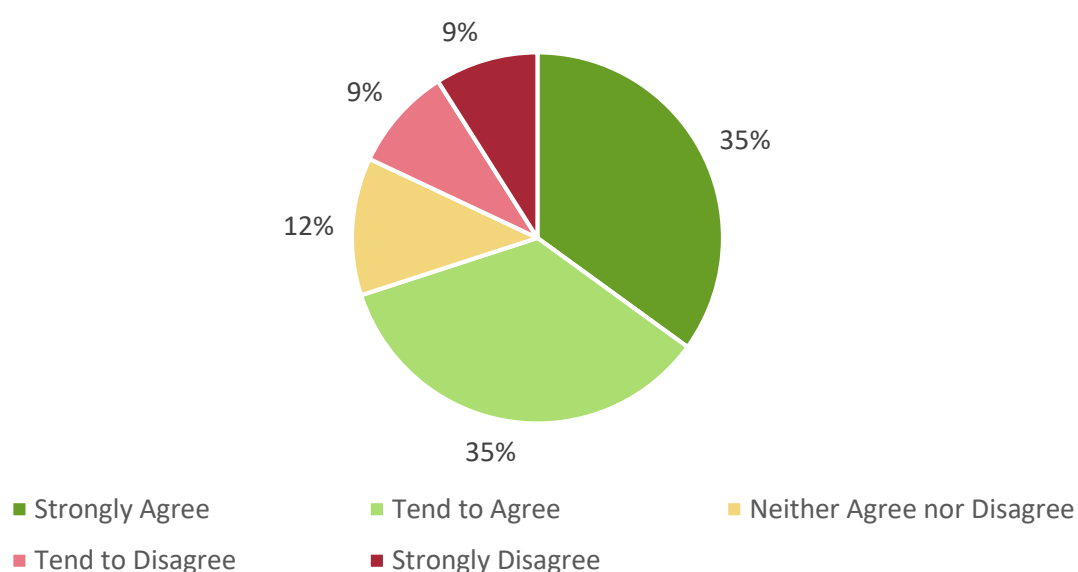


The case for change

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



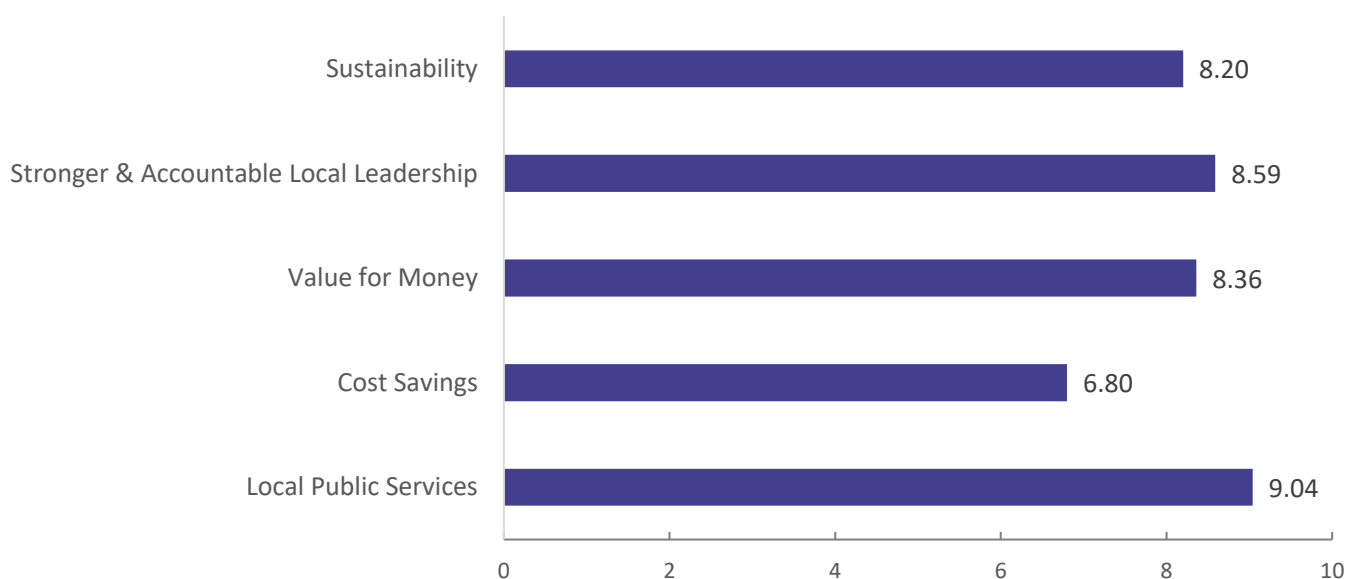
Importance of criteria

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

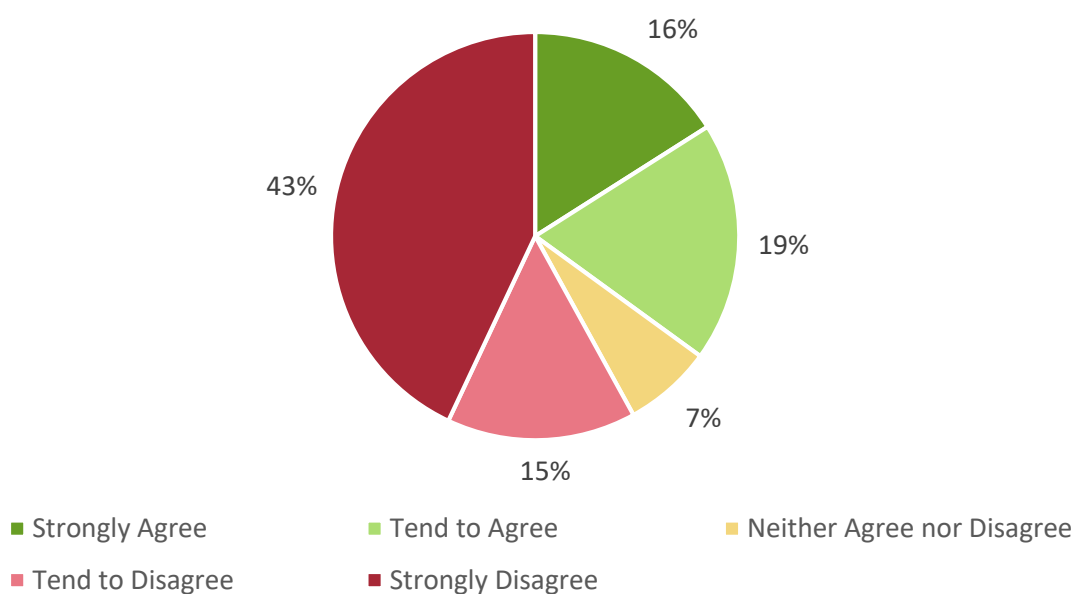


The proposal to merge Stratford-on-Avon and Warwick District Councils

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)

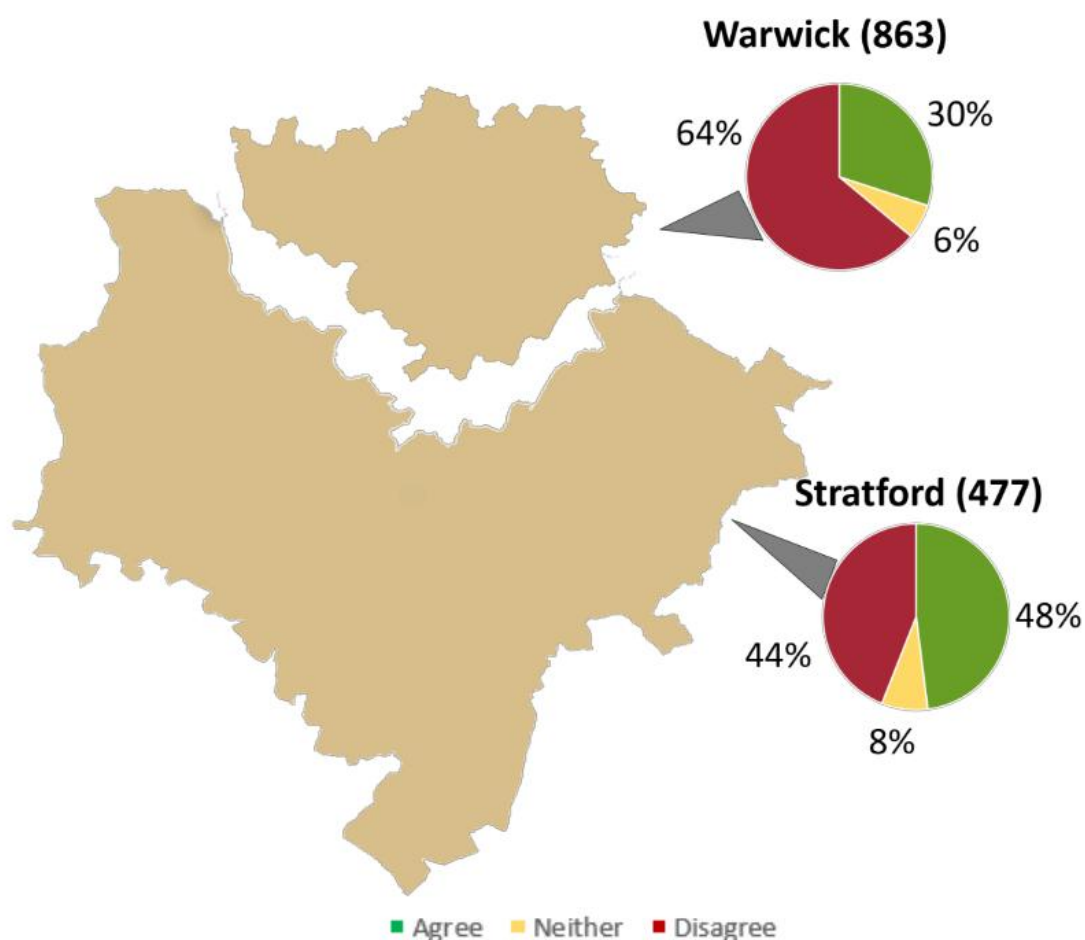
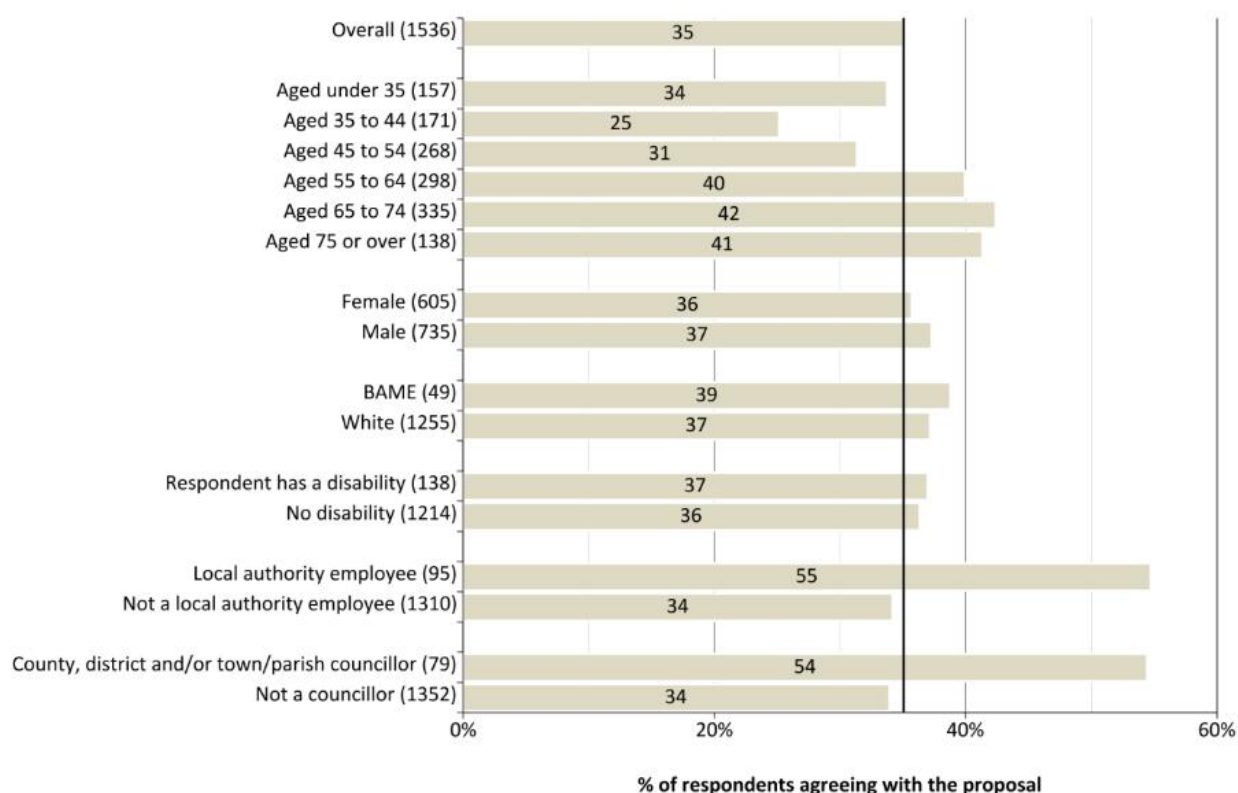


Figure 6: Levels of agreement with the proposal, by other respondent characteristics (base numbers shown in brackets)

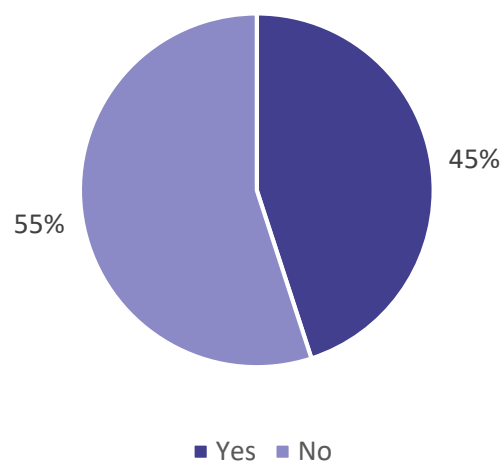


Contact with District Councillors and involvement in decisions

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.

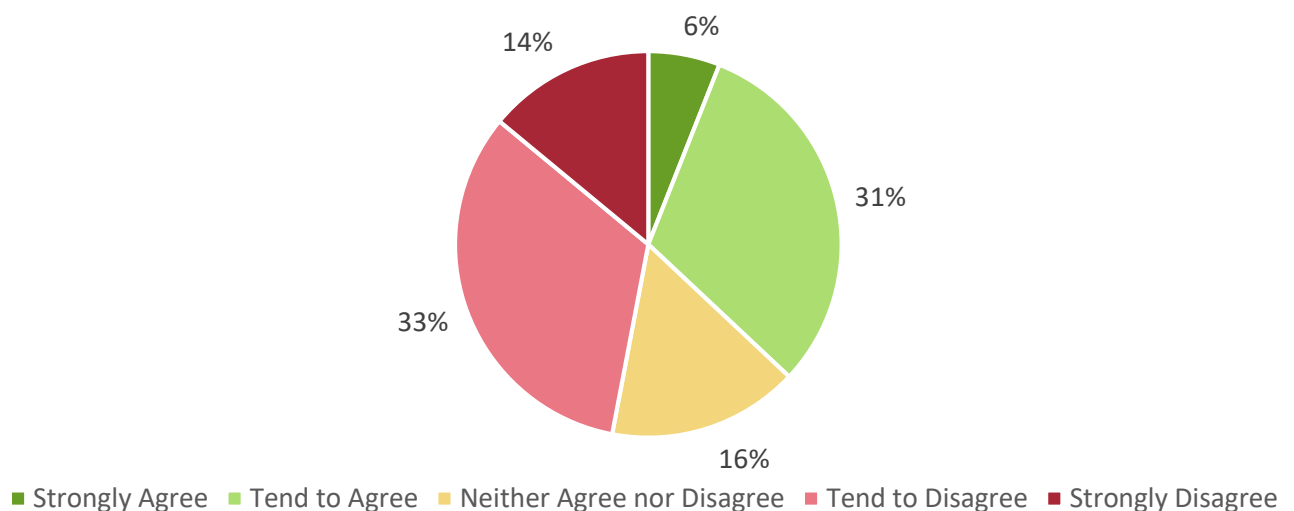
Figure 7: Have you contacted a local District Councillor in the last 12 months? (Individual Responses) Base: 1,520



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.

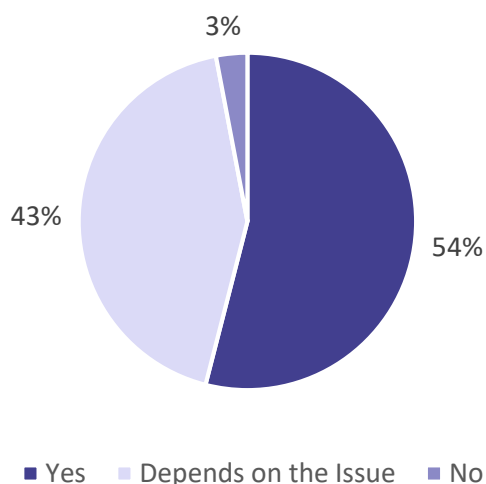
Figure 8: To what extent do you agree or disagree that you can influence decisions affecting your local area? (Individual Responses). Base: 1,582



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.

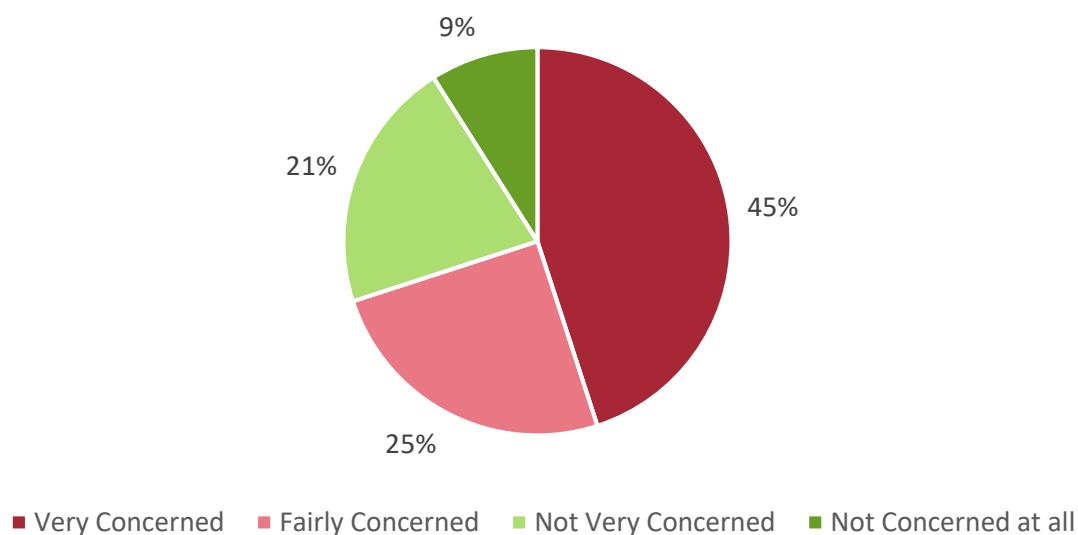
Figure 9: Generally speaking, would you like to be more involved in the decisions that affect your local area? (Individual Responses). Base: 1,513



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?

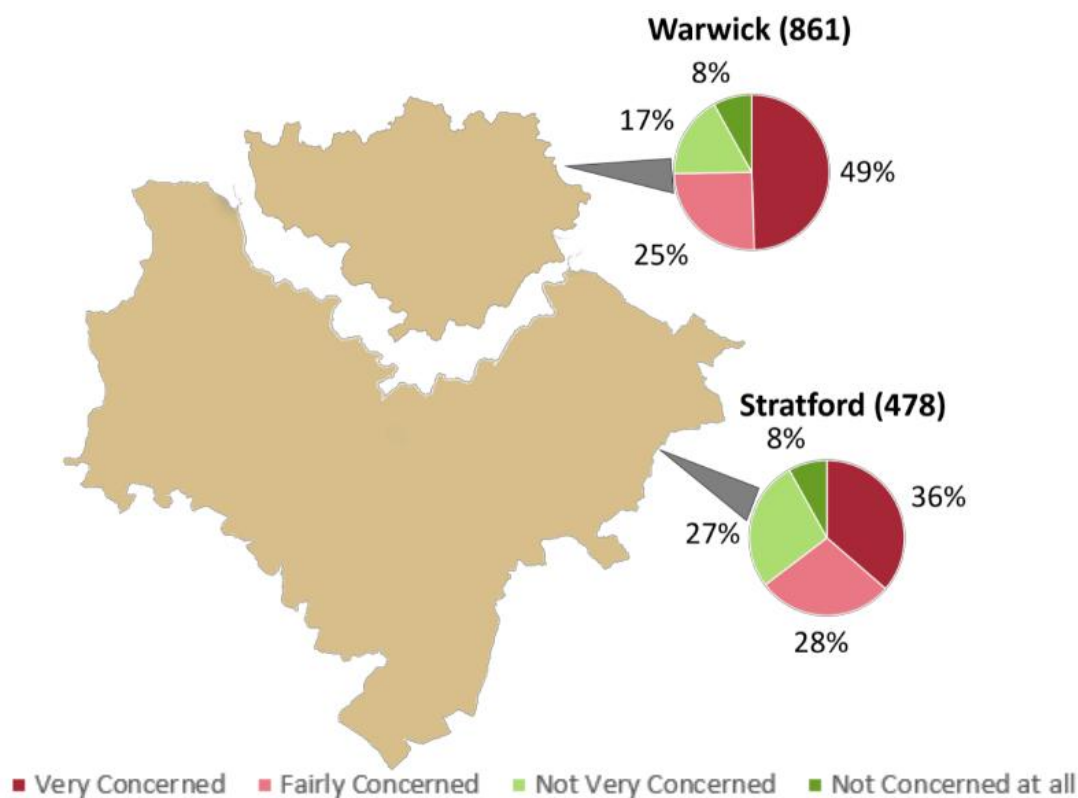
- 3.29 Seven-in-ten (70%) individual respondents said that they would be either very or fairly concerned about being able to contact a District Councillor, in the event of the proposal going ahead. On the other hand, three-in-ten (30%) said that they would be either not very concerned, or not concerned 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



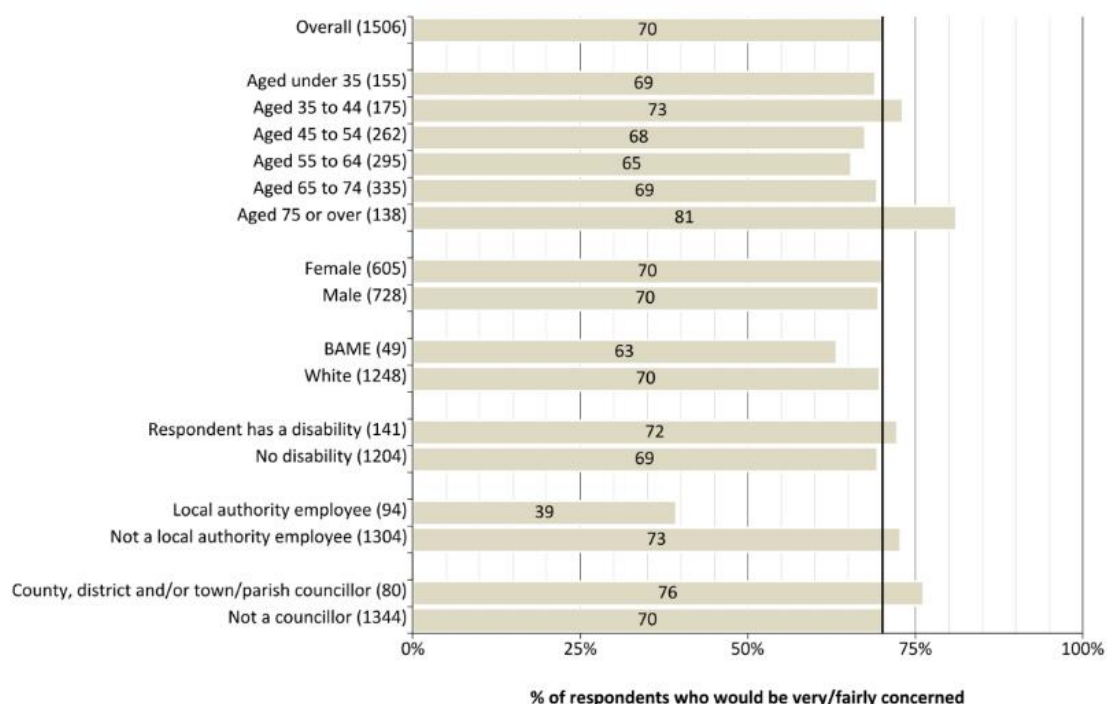
- 3.30 A somewhat higher proportion of respondents from Warwick reported that they would be concerned about contacting a councillor (75%), compared with Stratford-on-Avon (64%) (see Figure 11).

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)



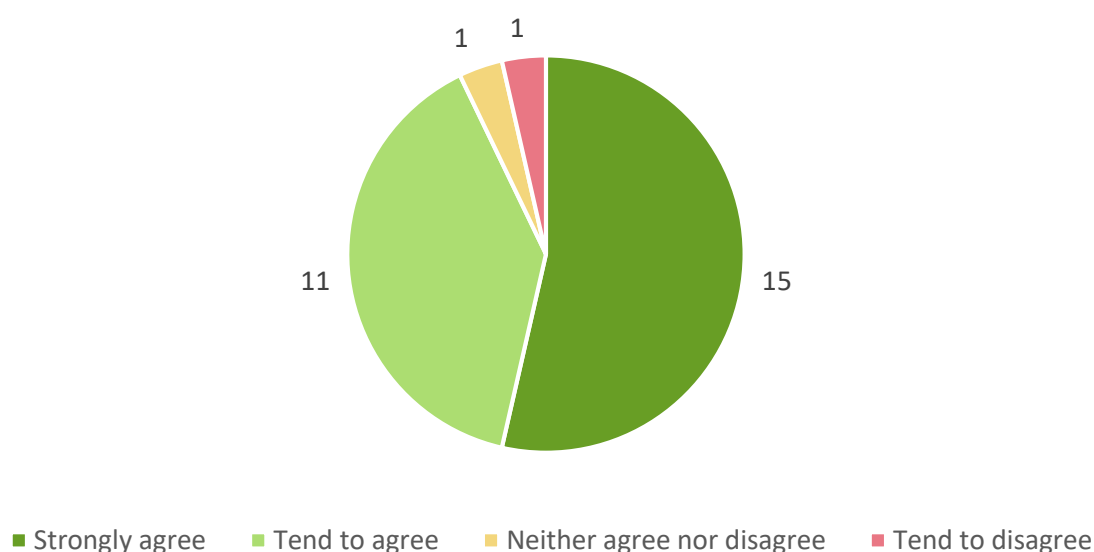
Organisations in the consultation questionnaire

- 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.

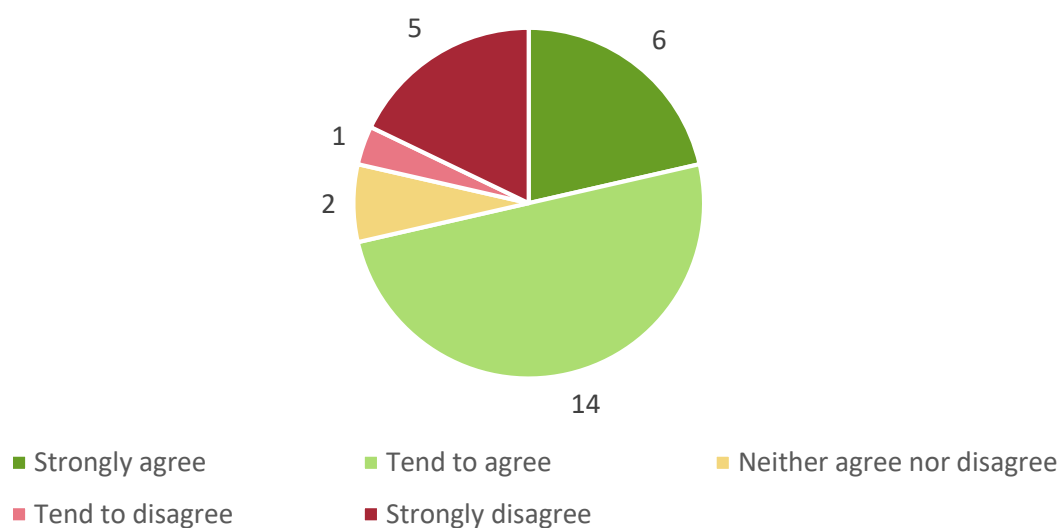
Figure 13: To what extent do you agree or disagree that Stratford-on-Avon and Warwick District Councils need to consider changes to respond to these challenges? (Organisation Responses)



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).

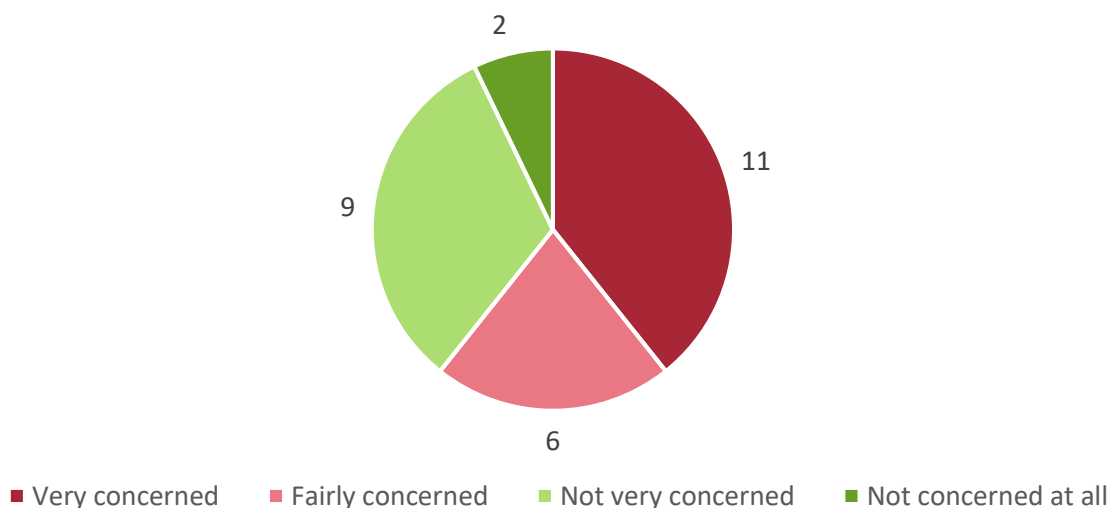
Figure 14: To what extent do you agree or disagree with the proposal to replace Stratford-on-Avon and Warwick District Councils with one new Council to provide all District Council services across South Warwickshire? (Organisation Responses)



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

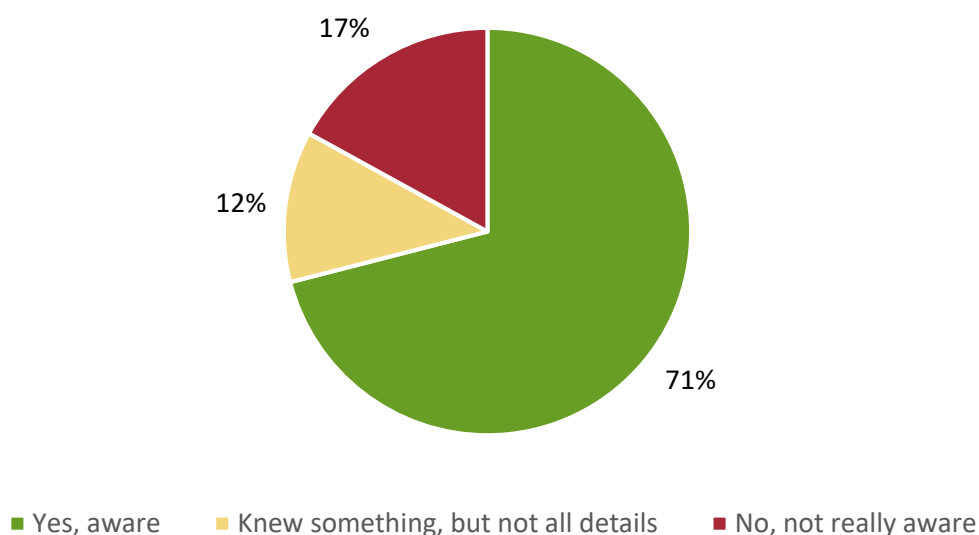
Awareness of current local government structure and services provided

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



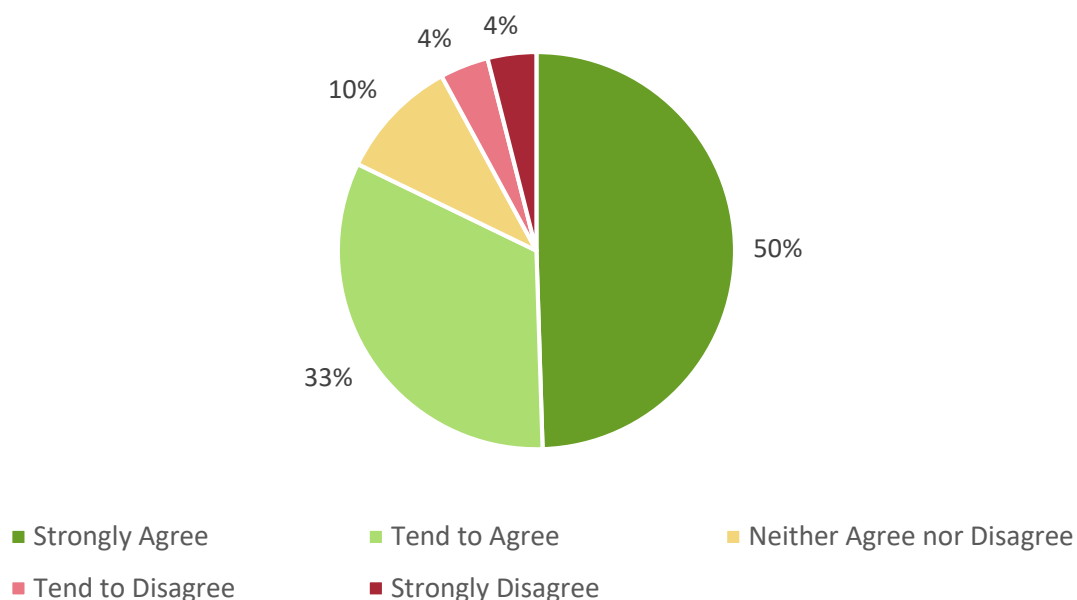
The case for change

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



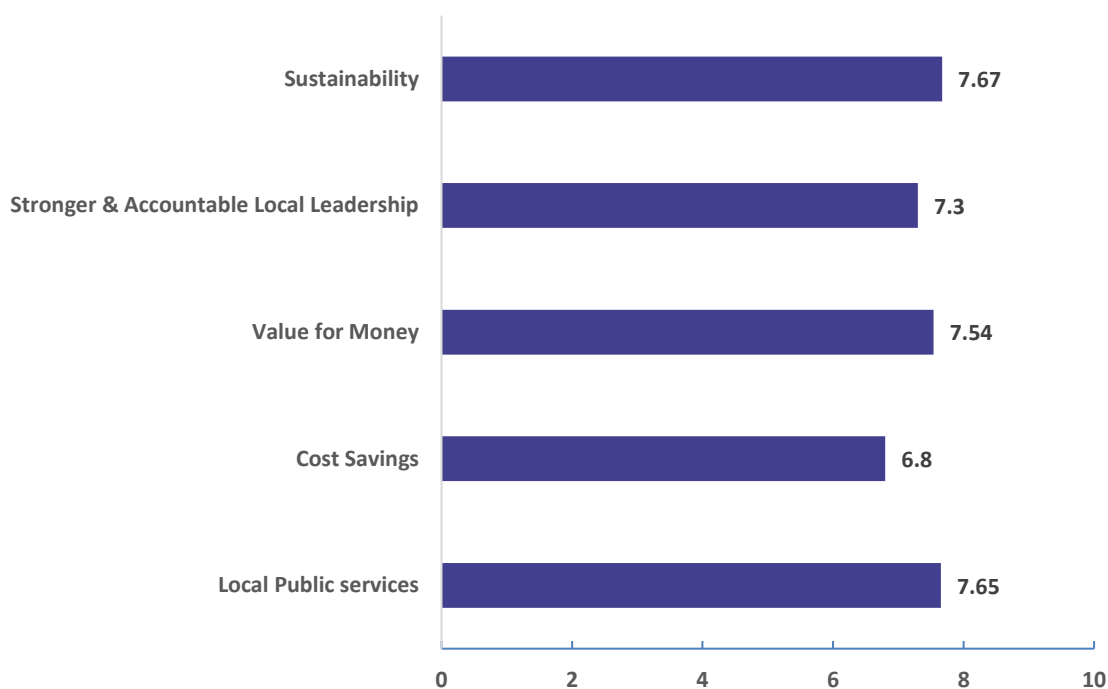
Importance of criteria

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

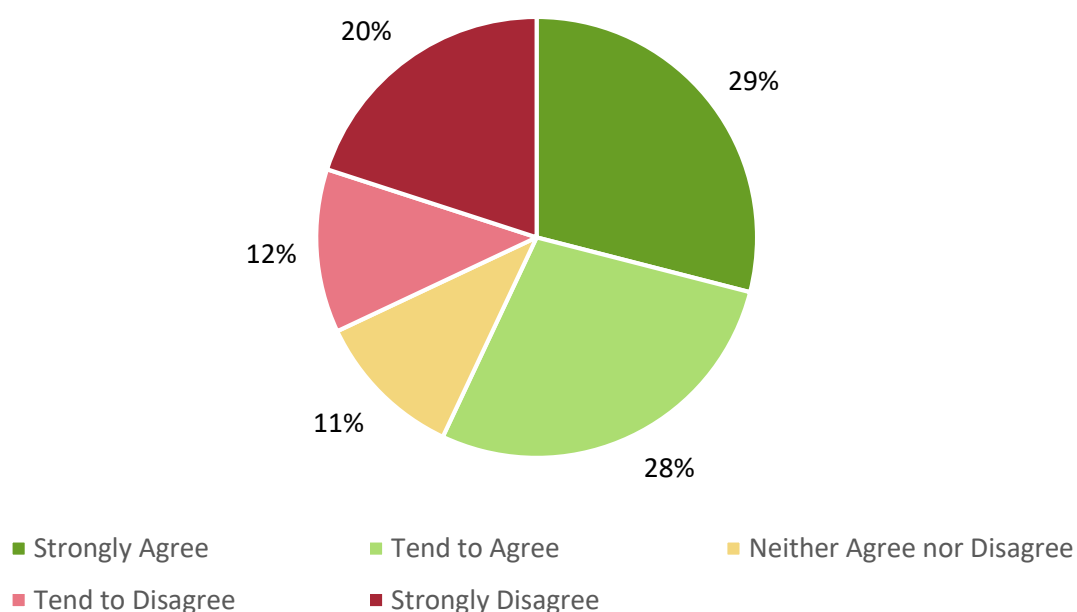
Faced with this financial pressure, and with a determination not to reduce the current level of services, Stratford-on-Avon and Warwick District Councils are therefore considering a proposal to merge, in which case a new district council would be established covering the whole of South Warwickshire (the 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.

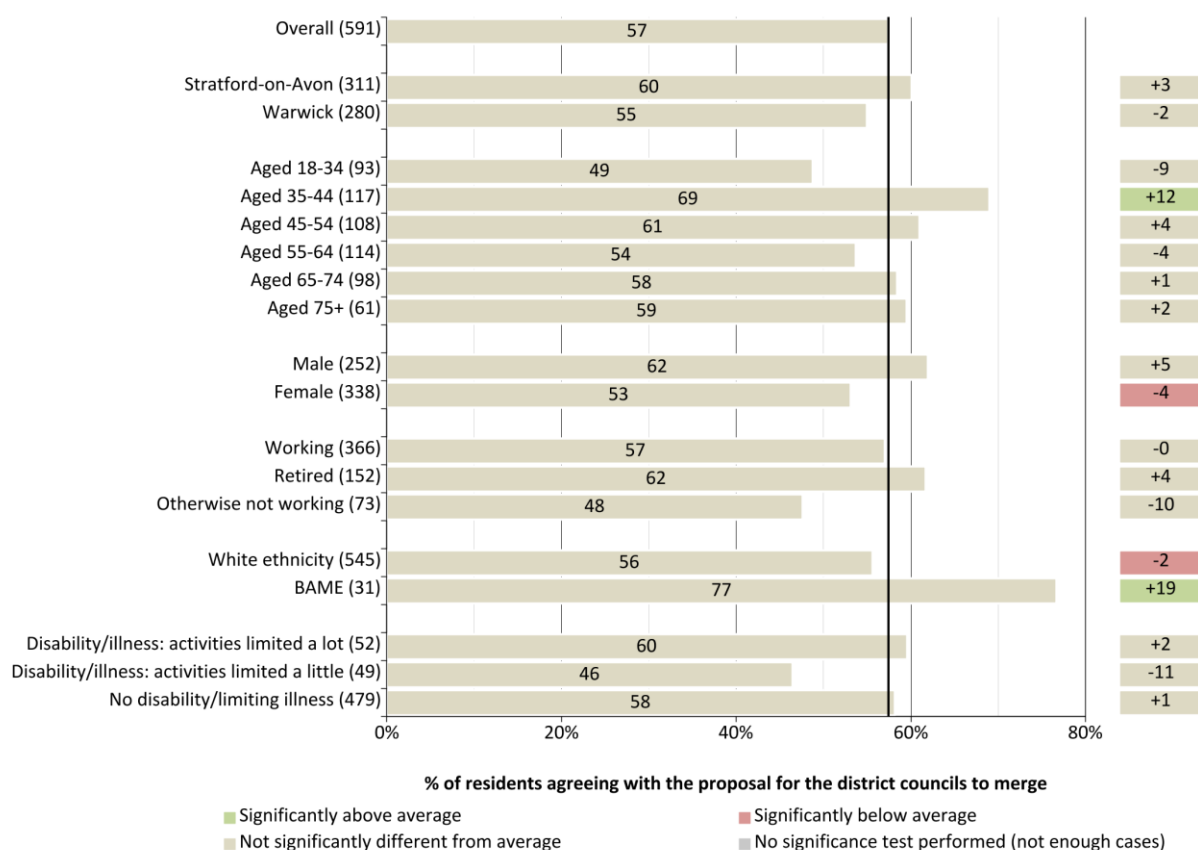
Figure 19: To what extent do you agree or disagree with the proposal to replace Stratford-on-Avon and Warwick District Councils with one new council to provide all District Council services across South Warwickshire? Base: 591



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

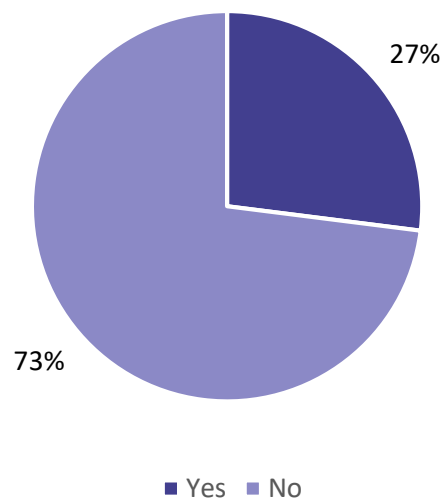


Contact with District Councillors and involvement in decisions

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.

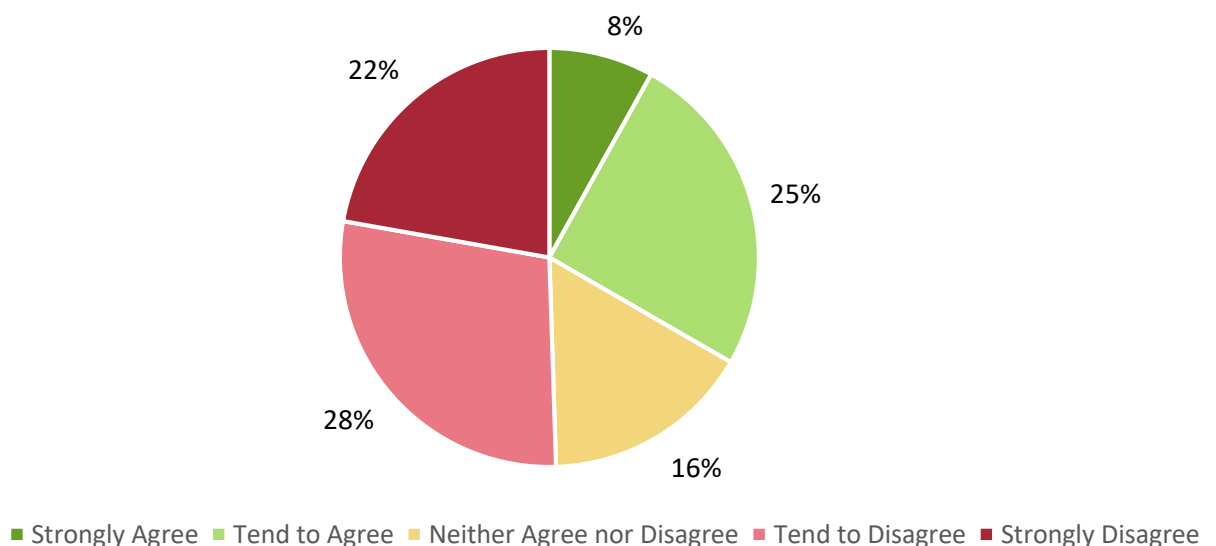
Figure 21: Have you contacted a local District Councillor in the last 12 months? Base: 612



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.

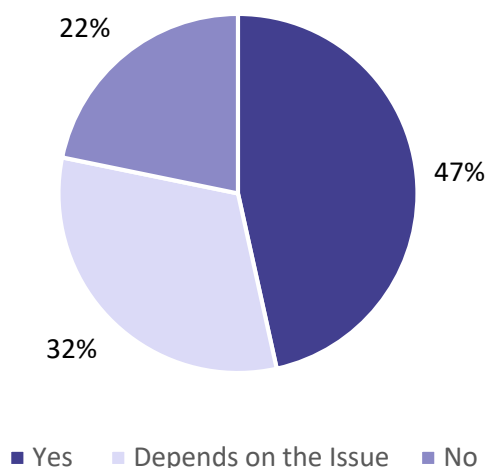
Figure 22: To what extent do you agree or disagree that you can influence decisions affecting your local area? Base: 595



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.

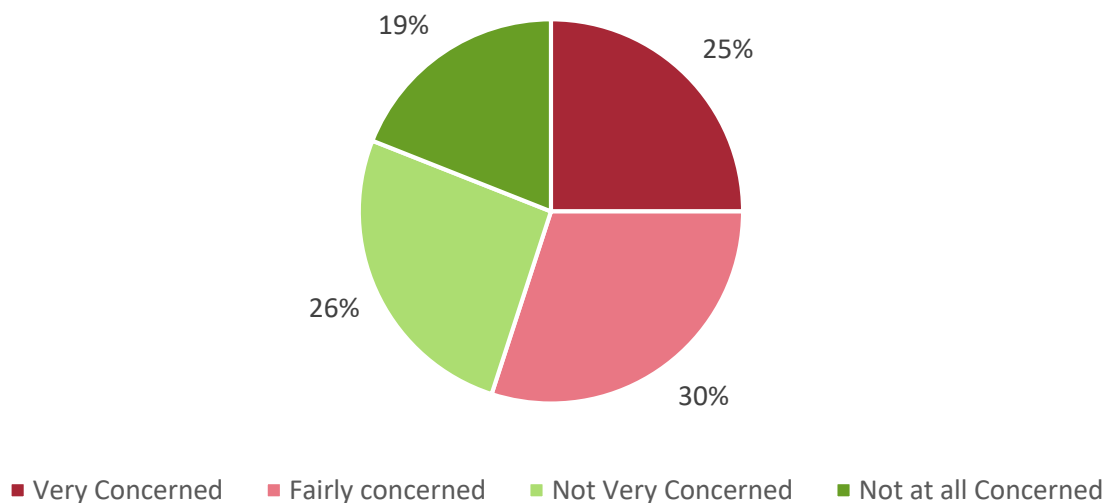
Figure 23: Generally speaking, would you like to be more involved in the decisions that affect your local area? Base: 607



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.

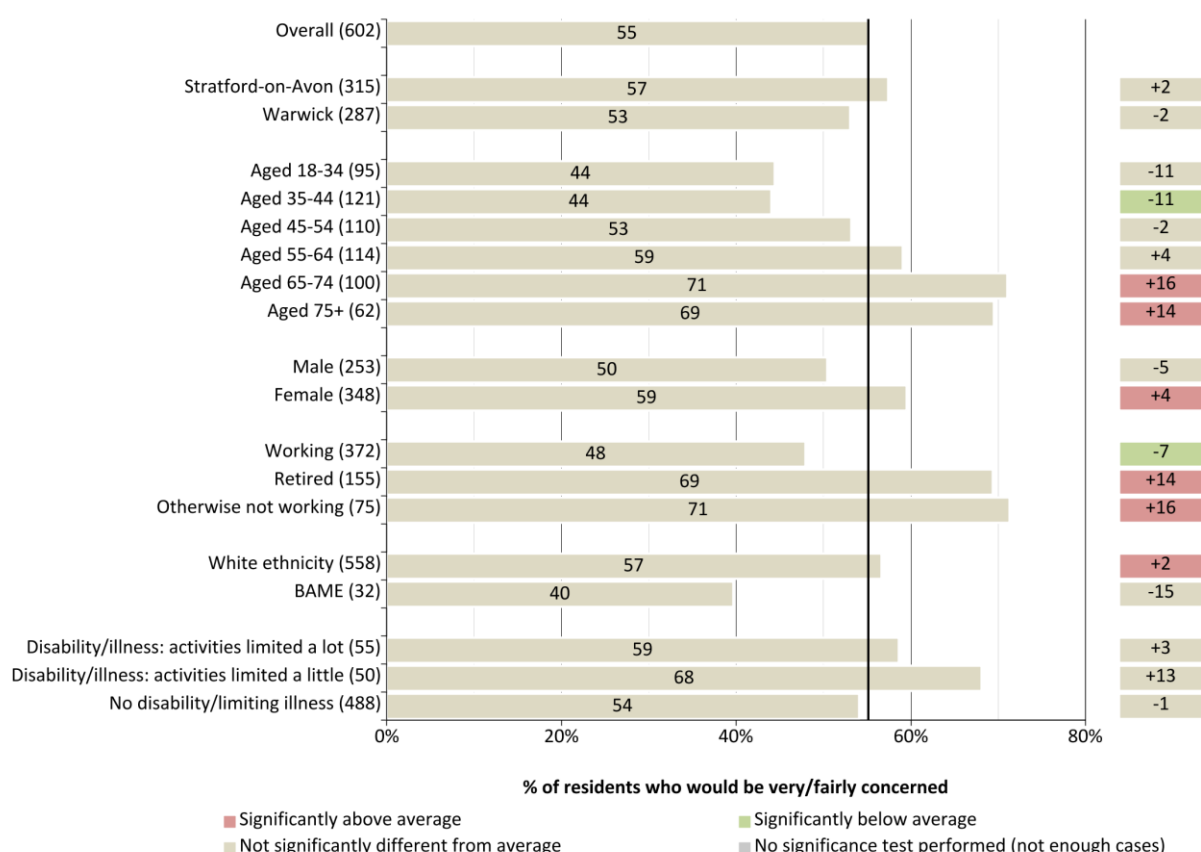
Figure 24: If a new single council was created, with fewer Councillors overall, how concerned would you be about being able to contact a District Councillor if you had an issue to raise? Base: 602



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.

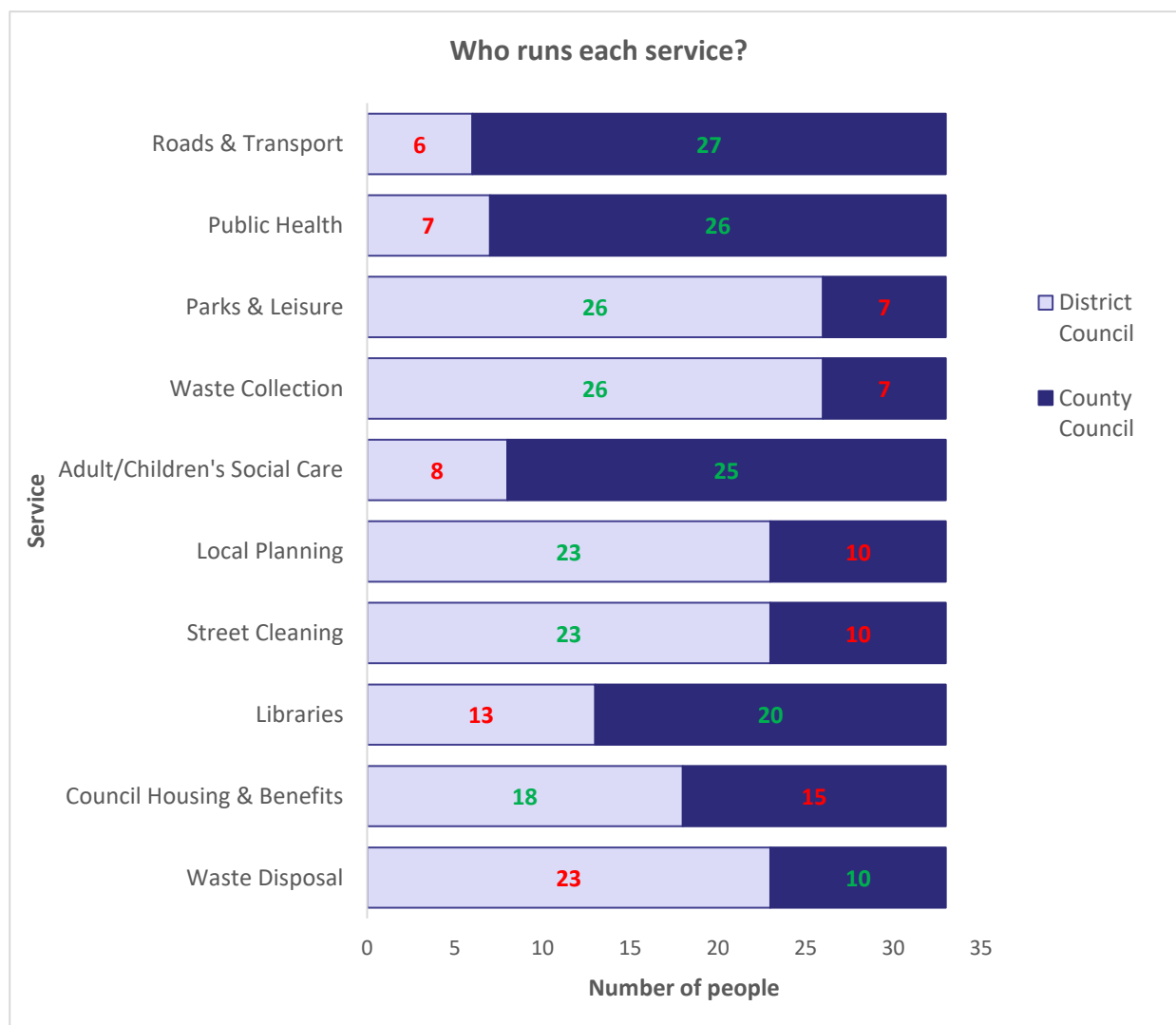
5.14 There was a mixed response with some feeling that they were fairly well informed and others saying they were not well informed at all.

"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.

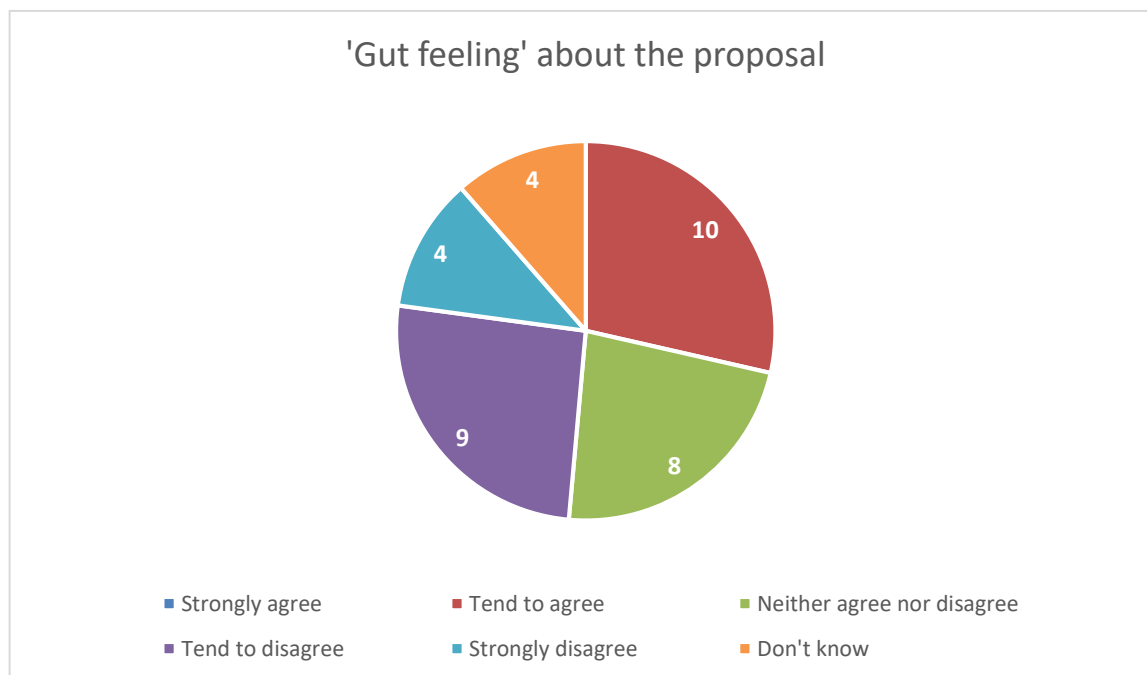
"Some of the information presented is a bit misleading because doing a strategic procurement exercise where the two areas get together and we develop a strategic partnership and there's economies of scale, that's great. But mopping up the demographics of two different areas and assuming they're going 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)

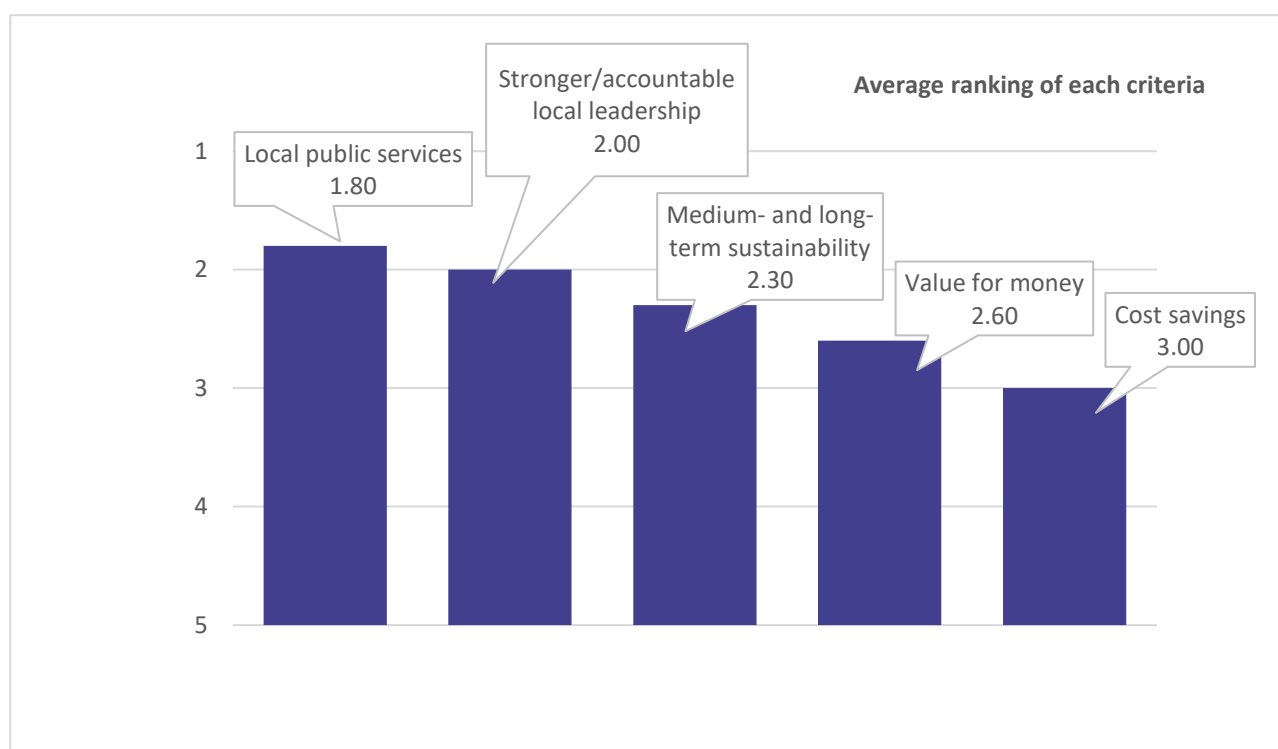
"You can't make an educated decision if you don't know anything ..." (Warwick)

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.

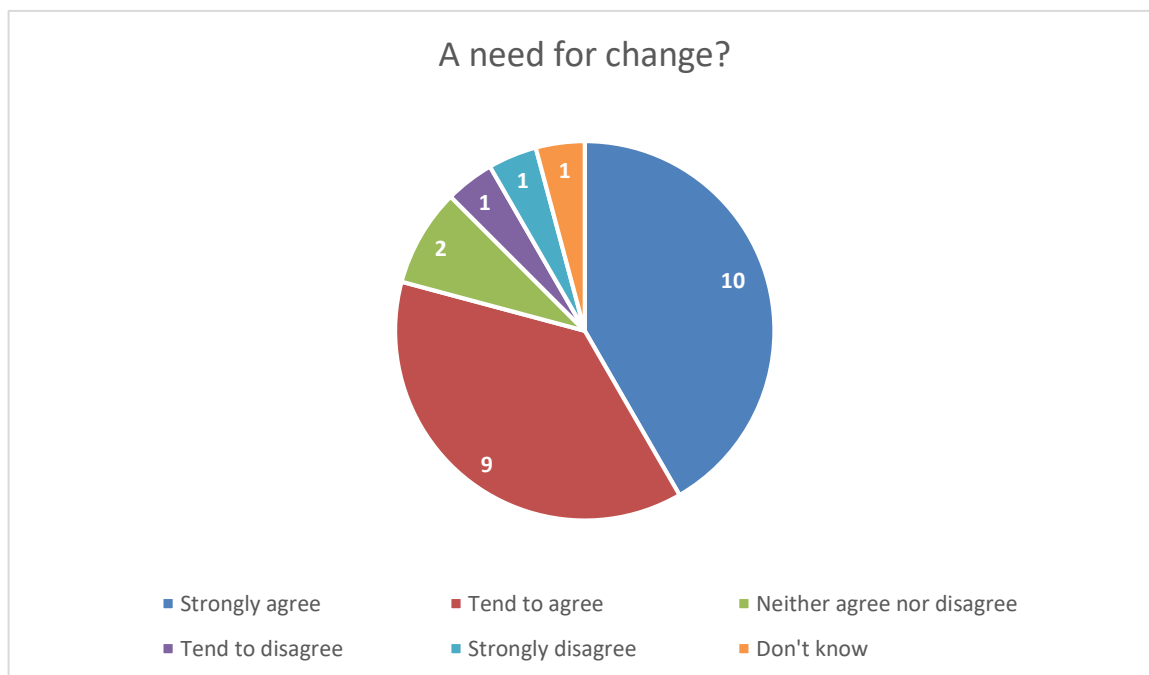
Main findings

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

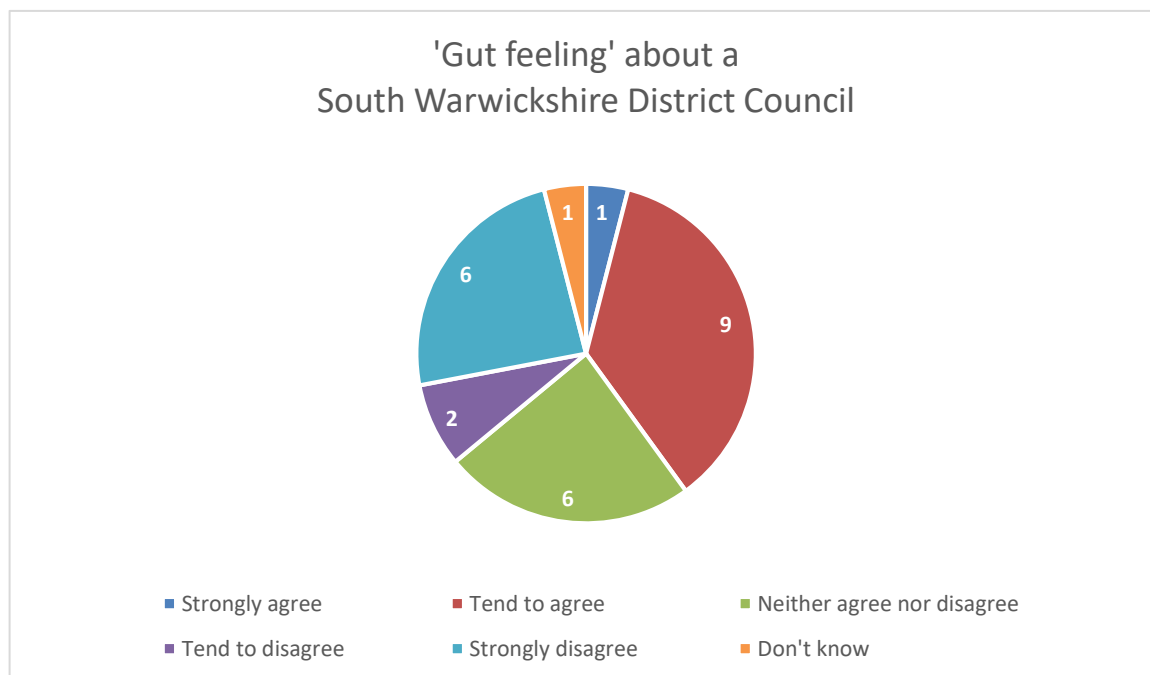
- 7.5 In discussion, those who agreed did so chiefly on the grounds that financial savings must be made, and that joint working would be beneficial in many areas.

"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

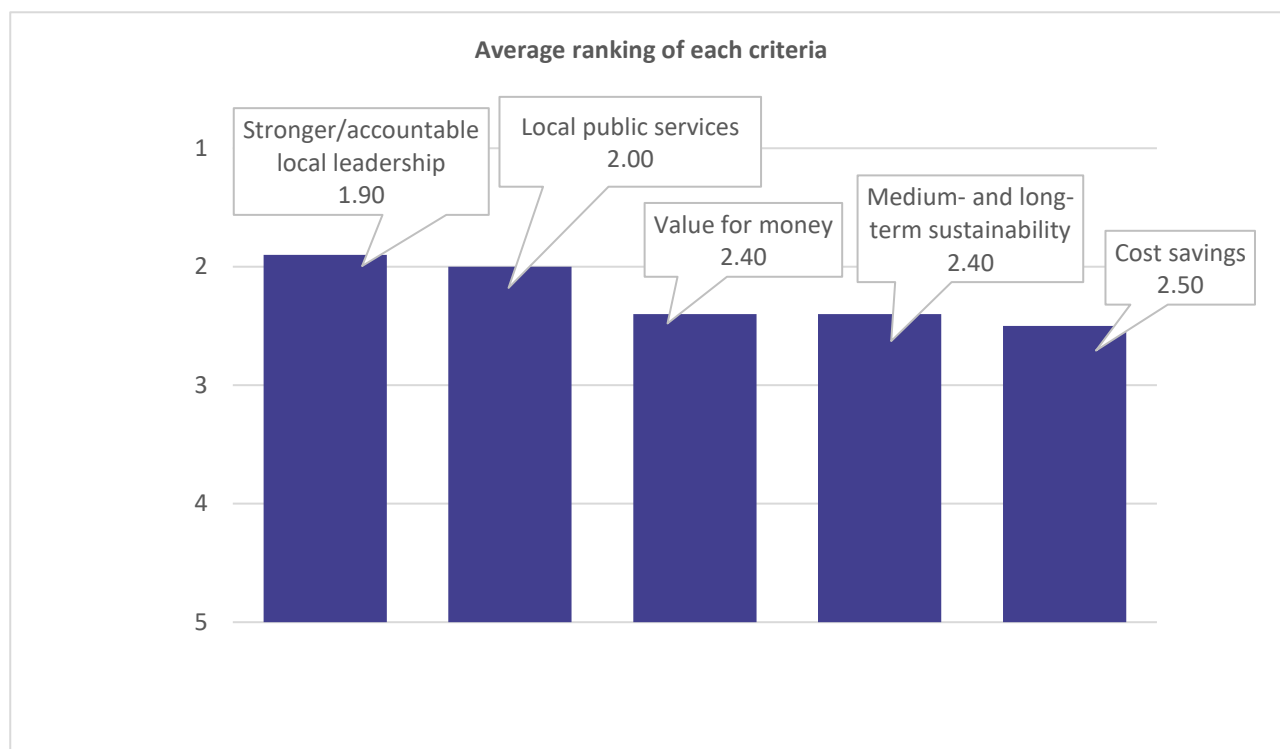
Which criteria are key to evaluating the restructuring options?

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

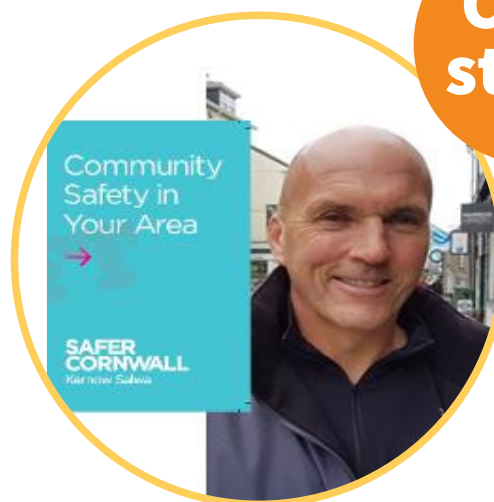
TRYING TO IMPROVE PEOPLES' LIVES THROUGH CENTRALLY IMPOSED DECISIONS AND PLANS SIMPLY DOESN'T WORK. IT LEAVES NO ROOM FOR INNOVATION OR ADAPTATION TO REFLECT LOCAL CIRCUMSTANCES.

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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southwarwickshire.org.uk/swc/



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**).



Working *Together*



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

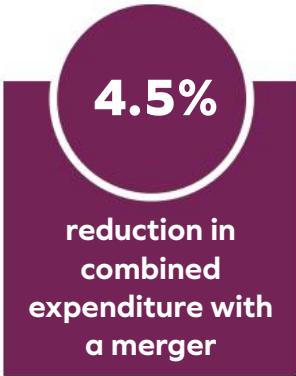
Both Stratford-on-Avon District Council and Warwick District Council face significant financial pressure. We have already delivered significant savings through our joint work, and a merger will allow us to take this further, achieve the savings that are required and deliver against strategic priorities.



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]



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

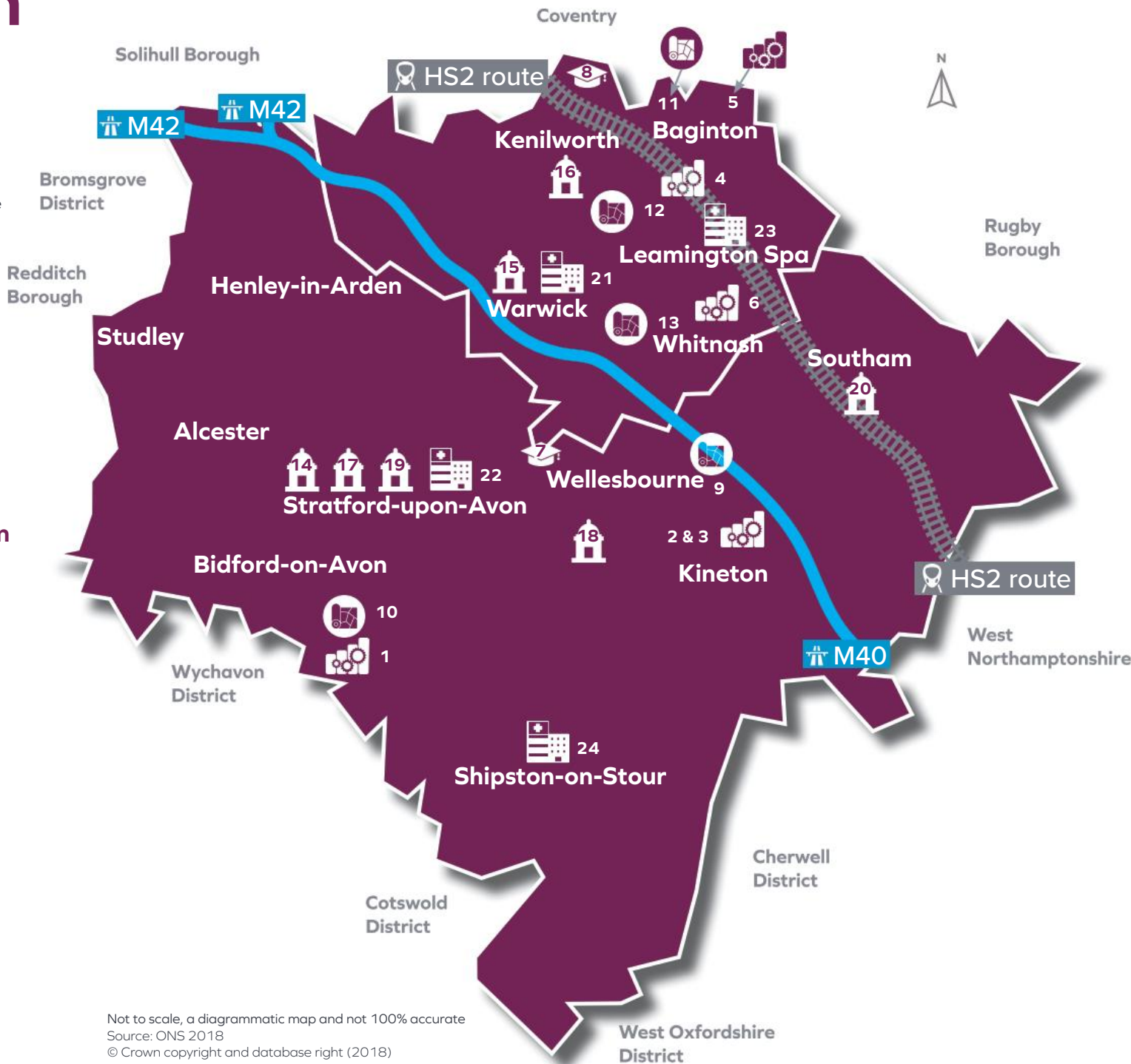
- 9. Gaydon/Lighthorne Heath
- 10. Long Marston Airfield
- 11. Kings Hill
- 12. Thickthorn
- 13. Europa Way

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



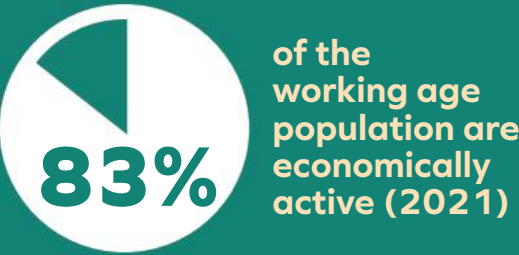
Working together



Healthcare provision

South Warwickshire is recognised in the emerging Integrated Care System

The facts



Levelling up - unleashing our potential

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

Levelling up

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

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



Our people

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

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



Arts, culture, sports and leisure

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

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

Innovation

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

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

Economic growth

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

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



Digital connectivity

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

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

Healthy communities

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

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

Our criteria for success

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

✓ Improves local government in South Warwickshire

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

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

✓ Provides an attractive proposal that generates significant local support

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

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

✓ Creates a credible geography that benefits the community

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

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

✓ Enables South Warwickshire to improve the quality of public services

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

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

✓ Provides a platform for long term financial sustainability

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

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

For more information please see Appendix [x - Deloitte]



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:</p> <p>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:</p> <p>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:</p> <p>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?</p> <p>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?	