

JOINT ARRANGEMENTS STEERING GROUP

19 JULY 2021

Subject: Service Integration

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Summary

The purpose of this paper is to provide an update on the progress that the Councils are making in relation to Service Integration. The report also seeks approval from both authorities to progress with such Service Integration irrespective of future decisions relating to the proposed merging of Stratford-on-Avon District Council and Warwick District Council.

Recommendation to Stratford-on-Avon and Warwick District Councils that:

Both Stratford-on-Avon and Warwick District Councils progress with the process of full service integration irrespective of the future decision to be considered relating to the proposed full merger of the two authorities leading to the scenario of a single unified workforce.

1. Background/Information

1.1 At the respective meetings of Executive/Cabinet meetings in July 2020, the following recommendations were approved:

- (1) *That the joint statement (**Appendix 1**) issued by the Leader of the Council and the Leader of Warwick District Council be endorsed, and in doing so to:*
- *Agree to the principle of a jointly commissioned review of local government across South Warwickshire and the wider County Council area;*
 - *Agree to exploring closer working with Stratford-on-Avon District Council/Warwick District Council, in relation to the following:*
 - *Sharing of Management Team posts across the two authorities;*
 - *Exploration of shared contracts across the two authorities;*
 - *That agreement be given in principle to conducting a Joint Core Strategy/Local Plan Review and that a further paper be presented setting out details of a proposed programme.*

1.2 In addition to these recommendation identified above there were two further recommendations to Council which were considered and approved on July 2020 as follows:

- (1) *That the principle of shared working with Stratford-on-Avon District Council/Warwick District Council be confirmed as part of the adopted policy framework; and*
 - (2) *That agreement(s) be entered into with Stratford-on-Avon District Council/Warwick District Council pursuant to Section 113 of the Local Government Act 1972 and all other enabling powers so that employees can be placed at the disposal of the other Council as may be required, subject to the Leader of the Council endorsing business cases for any such services.*
- 1.3 Significant progress has been made in relation to the items which were resolved by the Executive/Cabinets as follows:
 - 1.3.1 Shared Management Team Posts

Proposals have been agreed by both Stratford-on-Avon and Warwick District Councils to implement a Joint Management Team on 2 August 2021. These proposals were approved by way of Leader Decision at Stratford-on-Avon DC on 17 June 2021 and by way of an Employment and Appointments Committee decision at Warwick DC on 15 June 2021.

In addition to the above the filling of the vacancy within the new Management Team for the Head of Place and Economy was considered by Stratford-on-Avon District Council's Employment and Appointment Committee on 6 July 2021. At this meeting it was agreed to proceed with the appointment and interviews will be held on 4 August 2021.
 - 1.3.2 Shared Contracts between the two authorities

Following the decision at both Councils a joint specification was agreed for the Refuse and Recycling contract between the two authorities. This is the biggest contract that both authorities currently let. Decisions were made by each Council to jointly tender for the service and at present bids are in the process of being considered. The joint contract for this service will be implemented in July 2022
 - 1.3.3 Joint Core Strategy/Local Plan Review

The process for the determination of the South Warwickshire Local Plan has commenced with a special joint Cabinet and Member Advisory Group established to oversee the process. At the meeting of the Joint Executive/Cabinet on 14 April 2021 a scoping document was approved which has been used in the initial consultation on the development of the new plan.
- 1.4 In addition to the decisions by Executive/Cabinet and Council in July 2020, 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."
- 1.5 As is reported separately on this agenda and was also discussed at the last meeting of the JASG meeting held on 21 June 2021, progress is being made to prepare Council for a decision in December 2021. This decision will specifically consider whether in progressing the vision already approved whether both authorities wish to formally make a

submission to the Secretary of State (SoS) for Housing, Communities and Local Government to merge.

- 1.6 If Council does make such a submission it is likely that it could be as much as a year for the SoS and parliament to consider the submission. Indeed, at the end of this consideration the decision could either be to support and implement the merger, or to reject the proposals.

2. Plans for full Service Integration

- 2.1 This report is seeking authority from both Councils to progress with the process of service integration *irrespective* of the decision relating to the proposed full merger.
- 2.2 In the light of significant financial pressures and in line with the findings from the Deloitte report both Stratford-on-Avon and Warwick have included significant savings within the respective Medium Term Financial Plans (MTFPs). Over the duration of the MTFPs these are as follows:

Table 1 - Savings relating to Joint Working included in MTFPs

	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 As is evident the majority of these savings are assumed ahead of the proposed full merger, these would be delivered through a number of routes including:
- Service Integration
 - Office accommodation
 - Joint contracts etc
- 2.4 As reported elsewhere on the agenda, work is progressing on the identification of the order of bringing teams together across the two authorities so that the savings from service integration can be achieved.
- 2.5 It is vital that progress is made swiftly in relation to the process of Service Integration in order for the savings identified in respective MTFPs above to be delivered. However, as identified at para 1.5 it could be December 2022 before any final decision is made in relation to the merger. Therefore both Councils are being asked to confirm their position that even if the full merger is not supported that work can progress at pace on the delivery of savings identified in Table 1.
- 2.6 If a full merger is ultimately not supported either locally or by government this would still enable full Service Integration leading to the scenario of a single unified workforce which supports both Stratford-on-Avon and Warwick District Councils. It is fully acknowledged that this approach would not deliver the full savings identified in the Deloitte report, however, without the efficiencies derived from Service Integration

significant alternative savings would need to be identified by both Councils.

- 2.7 When both Councils considered the approach to Sharing Services in July 2020, it was suggested that this would be achieved through the use of s113 agreements. However, an alternative approach has been considered and approved by the Employment Committees at both Stratford-on-Avon District Council and Warwick District Council. The approach now favoured relates to the identification of a lead authority model and would result in staff being TUPE'd to the nominated lead employer for that service. This approach has received the collective agreement of both UNISON branches at Stratford-on-Avon District Council and Warwick District Council.
- 2.8 Whether s113 agreements are used or TUPE, whilst the Councils remain as two separate legal bodies, it will still be necessary for the cost of shared services to be subject to appropriate recharges between the authorities.
- 2.9 The approach of "lead authority model" provides benefits over the complications which relates to s113 agreements generate, however, it is far more challenging to extricate both Councils from such a relationship in contrast to the use of s113s. It is for reason that clarification is requested at 2.1 to provide certainty irrespective of decisions relating to any proposed full merger. On this point there remains the risk that future political decisions could impact upon shared working and the "lead authority" model would be more challenging to unpick.
- 2.10 It should be noted that alongside the programme of Service Integration proposals are being drafted by the Head of Assets in relation to the longer term accommodation requirements for both Councils, this will be reported in JASG in due course.

3 Conclusion

- 3.1 Stratford-on-Avon and Warwick District Councils are making significant progress against the resolutions approved in July 2020 in relation to the sharing of Management Team posts, developing a joint Core Strategy/Local Plan and jointly contracting for the Waste and Recycling Service.
- 3.2 It is likely that both Stratford-on-Avon and Warwick District Councils will be asked to consider in December 2021 whether they wish to make a formal submission to the Secretary of State for Housing, Communities and Local Government to merge. If such a submission is made it could take as long as a year for government to make a decision on the matter.
- 3.3 The next stage of the process is to begin the process of Service Integration across the two authorities. As has been explained within the report the proposed route for Service Integration will be through the identification of a "lead authority" and for staff to TUPE to that authority, an approach which has been agreed with both branches of UNISON.
- 3.4 It is recognised that both authorities have significant savings included within respective MTFPs relating to the Service Integration process. In order for this process to be implemented at pace both Councils are

requested to confirm that they are committed to the concept of sharing services in this manner, irrespective of any future decision in relation to the proposed full merger of the two authorities.

- 3.5 It should be noted that should this confirmation not be provided then significant alternative budget proposals would need to be identified to support the MTFP.

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