Appendix 2

Future of the proposed merger between Stratford-on-Avon and Warwick District Councils

Subject to Council consent, the plans to merge Stratford-on-Avon and Warwick District Councils will not go ahead.

The Leaders of the two Councils have jointly concluded that, in the interests of residents and staff, the proposed merger cannot go ahead as anticipated.

The Leaders have issued a joint statement:
"Following a meeting between Council Leaders and Chief Executives on 14 April, Cllr Jefferson Leader of Stratford-on-Avon District Council wrote seeking a delay in the Government's decision on the proposed merger with Warwick District Council to allow for due diligence to be completed. The letter was sent without the agreement of Cllr Day Leader of Warwick District Council, who had been invited to be a co-signatory. It was understood by Cllr Jefferson that writing to the Government unilaterally seeking to extend the current period of uncertainty would end the Council merger process.

On 13 December 2021, both Councils formally agreed merger plans and submitted a proposal to Government requesting permission to form a new joint Council by May 2024. In advance of this key political step, Councillors received detailed advice, including an independent Financial Impact assessment. This Local Government Association report recommended that a supplementary review was commissioned by Stratford-on-Avon District Council in relation to a company wholly owned by Warwick District Council. Given that a response from Government was anticipated by the end of May in respect of the merger decision, Cllr Jefferson considered there to be a material risk that the further due diligence work would not be completed in time and if the Minister was minded to support the merger, there would be limited opportunity for Stratford-on-Avon District Council to withdraw at that point.

Cllr Day considered that the decision to merge had been made last December and that ongoing due diligence did not prevent the service integration progressing as planned. To ask Government to delay matters would create further uncertainty for all staff, especially those facing redundancy, and residents seeking assurances about local services. In Cllr Day's opinion, making a request for further delay would result in trust being undermined, making it untenable for the two authorities to further integrate services or merge.
The Leaders jointly concluded that the proposed merger cannot go ahead as anticipated. There is a significant difference between the approaches and ambitions of the two councils that have proved to be irreconcilable, and this means that a joint request, subject to Council approval, will now be made to the Government to stop the merger process. Recommendations will be made to an Extraordinary meeting of Stratford DC, and the AGM at Warwick DC on 11 May 2022.

This is a disappointing outcome, but it should not mean the end for the positives that this process has generated; we have learned a lot and wish to carry on as good partners. It is anticipated that some of the joint working arrangements

already put in place will continue, such as legal services and business rates collection. However, others including the Joint Management Team and the service integration programme will end. Each council will continue to keep residents, councillors, and staff engaged in the process of updating our working arrangements.

Thank you for the many contributions and the positive commitment made to supporting the future of both councils."

Reports will be made to an Extraordinary meeting of Stratford DC and the AGM of Warwick DC on 11 May 2022, to propose their future direction and shared working arrangements.

These reports will also contain recommendations from both Leaders that the merger application made to Government (DLUHC) should be withdrawn.