



Title	Review of Local Government Structure in Warwickshire
For further information about this report please contact	Chris Elliott, Chief Executive chris.elliott@warwickdc.gov.uk
Wards of the District directly affected	All wards of the District
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	Not applicable
Background Papers	None

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer/Councillor	Date	Name
Chief Executive	29/06	Chris Elliott/Andrew Jones
Head of Service	29/06	All
CMT	29/06	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	29/06	Mike Snow
Monitoring Officer	29/06	Andrew Jones
Portfolio Holder	29/06	Councillor Day
Consultation & Community Engagement		
The recommendation proposes that engagement and consultation be undertaken with the local community.		
Final Decision?	No	
Suggested next steps (if not final decision please set out below)		
That research be commissioned and be reported back		
That further reports on the specified areas be presented for consideration		

1. Summary

- 1.1 The purpose of this report is to seek formal endorsement to provide the necessary decisions in relation to the joint statement that was issued by the present the Leader of the Council and the Leader of Stratford District Council on 24 June 2020.
- 1.2 It is clear that the Government is committed to a white paper that will consider the development of devolution across England, this white paper is expected to have significant implications for local government structures, especially in two-tier areas, the white paper is expected to be released in the Autumn of 2020. In order for our councils to influence this debate it is considered that a jointly commissioned review of the existing and potential options for local government structures within Warwickshire should be undertaken urgently.
- 1.3 In addition to this review and ahead of its findings it has been identified that there are a number of opportunities for closer working with Stratford on Avon District Council that can be explored in order to assist with the financial pressures that both authorities are facing as a result of the COVID-19 pandemic.

2. Recommendations

- 2.1 The Executive agrees that the joint statement (Appendix 1) that was issued by the Leader of the Council and the Leader of Stratford on Avon District Council (SDC) be endorsed, and in doing so:
 - i) Agrees to a jointly commissioned review of local government across South Warwickshire and the wider Warwickshire County area;
 - ii) that the Leaders of this Council and of SDC invite all of the other Borough/District Councils in the County, Warwickshire County Council and the Warwickshire Association of Local Councils (WALC) on behalf of the town and parish councils, to participate in the review as equal partners.
 - iii) that the Leader of the Council be the Council's nominee on a multi Council working party to steer the review.
 - iv) that the Leadership Co-ordinating Group (i.e. all the Political Group Leaders and the Executive) act as this Council's internal steering group of the review and the joint work with SDC.
 - v) that the brief for the review be delegated to the Chief Executive in consultation with the Leader and the Leadership Co-ordinating Group and that the report be procured as a matter of urgency.
 - vi) that provision of cost for the review be made from a source to be determined by the S151 Officer (at the time of writing the cost has not been determined and will be affected by the number of Councils participating).
- 2.2 The Executive agrees in the context of the joint statement to exploring with SDC, in relation to the following:
 - i) Sharing of Senior Management Team posts across the two authorities;
 - ii) Exploration of shared contracts across the two authorities; and,

iii) 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, a member and officer governance.

Further reports to be presented to Employment and/or Executive on all of the items above as soon as possible.

2.3 Subject to the agreement to 2.1 above it is recommended to Council that:

- (1) That the principle of joint working with SDC be included as part of the Council's Business Strategy.
- (2) That agreement(s) be entered into with SDC 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 Councils as may be required.

3. Reasons for the Recommendations

Recommendation 2.1

- 3.1 On 24 June 2020 a joint statement entitled "Taking a fresh look at local government in South Warwickshire" was issued by the Leader of the Council and the Leader of SDC. This followed an informal meeting of the Cabinet from Stratford on Avon District Council and Executive from Warwick District Council. A copy of the statement is attached at Appendix 1.
- 3.2 The main purpose of these discussions was to consider the impact of the anticipated white paper in relation to devolution that was announced within the Queen's speech before Christmas. It has been widely reported that in considering the devolution and "levelling-up" agenda there will need to be reform of local government, especially in two-tier areas. It is expected that the white paper will be issued in the Autumn of this year.
- 3.3 The collective view from the Leaders is that in order to ensure that we are prepared and able influence the debate on this issue within Warwickshire that work should commence now on undertaking a review of the local government structures within the county. It is proposed that this review should be jointly commissioned by all of the districts and boroughs, the County Council and WALC, (representing parish and town councils) and that the results should then be used for submissions to central government in proposing any changes necessary. This would need to be supported by regular communications with all Councils and with the community.
- 3.4 In addition to the opportunities surrounding future devolution there are also a number of other reasons why this would be an appropriate time to undertake such a review, including:
 - the tremendous pressures on services faced by all tiers of local government from communities wanting improvements in public services and in the management of place

- the tremendous financial pressures faced by all tiers of local government over the past 10 years and now exacerbated by the COVID-19 emergency, potentially compromising the delivery of public services
- the erosion of the connection between people's association with a sense of place and the span of democratic arrangements in place governing them
- the continued lack of clarity, transparency and democratic accountability for local community leadership between the tiers of local government to the detriment of local communities
- the barriers between local government and other public agencies that prevent effective action to address important local issues.

The world has changed since the current local government structure came into being in 1974 almost 50 years ago and it needs to change significantly to better reflect the needs of local people and the circumstances within it is operating.

- 3.5 It is expected that in undertaking the review each of the potential options for local government reorganisation will need to be assessed against jointly agreed criteria, which are expected to include areas such as the need to:
- Reflect and deliver a clearly understood sense of place
 - Provide clarity of local community political leadership to local people, to government and to other public agencies for a clearly understood sense of local place
 - Offer clarity of vision reflecting community ambitions for a clearly understood sense of place
 - Deliver effective and efficient arrangements for the provision of quality services whether directly, indirectly or shared, to achieve the set vision for community ambitions for a clearly understood sense of place
 - Deliver wider improvement changes to public sector service delivery arrangements for the local community for a clearly understood sense of place
- 3.6 Whilst it will be up to the review to identify what options will need to be considered for such a review, it is likely that there are at least four that would need to be fully evaluated including:
1. Status Quo – no changes from the present political/administrative arrangements;
 2. Creation of a South Warwickshire "Super-District" – this option would see the full merger of Stratford on Avon DC and Warwick DC, but would still operate in a two tier environment
 3. Single Council Unitary Warwickshire - the creation of a Warwickshire wide unitary authority
 4. Two Council Unitary Warwickshire - in relation to this option government have already stated "*any new unitary council's population would be expected to be in excess of 300,000*". The current population

of Warwickshire is estimated to be 571,010 (mid 2018) and by 2030 would be in excess of 600,000, and therefore would lend itself to a maximum of two authority areas.

In relation to all of the above options, the potential for changing role of town and parish councils should feature. Likewise, members should also be aware that changes in the local government sector could and should presage changes in linked public sector areas such as health and social care; community safety; and in supporting the local economy/training.

- 3.7 Attached at Appendix 2 is a Briefing Paper in relation to "*Local government in England; structures*" which was prepared for the House of Commons library. This is a useful analysis of the options and issues that would need to be considered under such a review.
- 3.8 At the time of writing, the cost of undertaking the review of options and the research with the local community has not been determined but an update will be given by the time of the meeting. In addition, it is as yet unclear how many of the other local authorities will wish to participate in the review. However, authority is requested to proceed with the wider dialogue on this issue and if successful then to delegate authority to the Leader of the Council to participate in the review with the Leaders of the other Borough/District Councils, the County Council and representatives of WALC. Within this Council it is suggested that the Leadership Co-ordinating Group which brings the Executive and the Leaders of all the political groups of the Council together, acts as this Council's internal steering group for the review and the work with SDC. This governance activity would be enabled by informal senior officer meetings and Leader/Deputy Leader meetings.
- 3.9 The brief for the review will need to be agreed and procured as soon as possible, and it is suggested that the brief for the review be delegated to the Chief Executive in consultation with the Leader of the Council and the Leadership Co-ordinating Group, on behalf of this Council.

Recommendation 2.2

- 3.10 The joint statement referred to in 2.1 also identified that there are a number of joint working arrangements already in place between Stratford on Avon District Council and Warwick District Council, namely:
- the South Warwickshire Health Improvement Partnership;
 - the South Warwickshire Crime Reduction Partnership
 - Shakespeare's England, our destination management organisation which we jointly founded to promote our local tourism;
- 3.11 In addition to these joint partnerships there is also a shared Business Rates team and the Councils also share an Information Governance Officer post. Given the financial pressures that both authorities are facing as a result of the ongoing COVID-19 pandemic the discussions between the

Cabinet/Executives also considered potential areas where joint working could be extended including:

i) Senior Management Team – across the two authorities there are currently 4 vacancies at Senior Management Team level. It is suggested that proposals are developed to take advantage of these vacancies across the 2 authorities and share a number of specific posts. Whilst at least at this stage two discrete Senior Management Teams could be maintained, the financial benefits could be shared across the two authorities. The sharing of posts in the way can be achieved through s113 of the Local Government Act 1972. These would be interim arrangements until the review of local government structures has been completed/implemented. A further report will be presented on the detail of this if agreed.

ii) Joint Contracts – both Councils have contracts of significant value which are approaching retendering. It is suggested that through joint working single tenders could be placed to ensure that the greatest economies of scale and good service across South Warwickshire could be achieved. This would both preserve service provision and would also help to reduce costs during the current challenging financial environment. It is also expected that further efficiencies could be achieved through the joint management of contractors by each authority. A further report will be presented on the detail of this if agreed.

iii) Joint Spatial Planning – Within the Coventry and Warwickshire sub region there have been and are extensive discussions ongoing about developing a sub-regional spatial framework. Both Councils are part of that discussion. Whilst there seems to be general agreement there is no agreed proposal to consider and implement. Meanwhile, both SDC and WDC are committed to reviewing their respective Local Plans/Core Strategies in 2021, though in reality preparatory work should start now. Given the close relationship between the plans, as demonstrated by the extensive joint work undertaken in the development of the existing agreed Local Plan/Core Strategy proposals; it makes sense to undertake the planned reviews at the same time as one co-ordinated effort.

It is suggested therefore that agreement be given in principle for the reviews to be undertaken jointly and that a detailed report be brought forward to Cabinet/Executive as soon as possible setting out the proposed programme and the governance of the work both from a members and an officer perspective. Of necessity this may also cover other work that each Council's respective policy terms may also be undertaking. Such statutory work can be dovetailed with a sub-regional framework should that proceed. Given the strong shared economic geography between Stratford on Avon and Warwick DC the proposal for a joint plan would not only deliver significant savings in relation to the commissioning of the evidence base, but there would also be savings through the examination stage by the Planning inspector.

Recommendation 2.3

3.13 Whilst the areas above will need to be developed further, it is proposed that given the need to provide capacity at Senior Management Team the principle of sharing posts with SDC be adopted and that a business case is developed as a matter of urgency, which if positive is subject to Employment Committee approval. It would be necessary for Council to approve the principle of extending the use of s113 agreements to SDC.

4. Policy Framework

4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several key projects. This report shows the way forward for implementing a significant part of one of the Council's key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Becoming a net-zero carbon organisation by 2025 Total carbon emissions within Warwick District are as close to zero as possible by 2030 Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
The proposal could assist with the attainment of the Council's objectives across all its policy priorities.		
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the

		Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
The initial proposals will help to address vacant posts in the Senior Management Teams of both Councils.	In addressing people and finance issues it will enable the Council to better maintain or improve services.	This would help the Council to address the unfolding financial issue arising from the Covid 19 emergency on top of the underlying pressures.

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies but none are particularly relevant here.

4.3 Changes to Existing Policies

The Council's Business Strategy should be updated to reflect this area of work as it will be significant. However, it is not anticipated that this would divert the Council from tackling Climate Emergency as the central plank of its policy objectives and indeed working closer with SDC should aid that objective. Likewise, the Council's work on the Governance Review should not be hindered and indeed may assist by enabling the closer involvement of members.

4.4 Impact Assessments

None at this stage.

5. Budgetary Framework

- 5.1 At this point other than the cost of contributing toward the review there is no immediate budgetary impact. However, the proposals if implemented should enable beneficial financial impacts to occur in the short term in respect of the joint work with SDC. The cost of the review would be funded from a source to be determined by the S151 Officer.
- 5.2 The potential for change within WDC of working with SDC is significant and could create a significant body of additional work for the transitional

phase and given the extensive work programme already of the Council some additional resource will be needed.

6. Risks

- 6.1 There is clearly a risk that the money and effort expended on the review and the joint work may not deliver the expected benefits for WDC and more importantly for its communities. This is best mitigated by ensuring an effective brief for the wider review and that in the detailed papers for the joint work that the benefits are clearly identified, quantified and assessed for deliverability.
- 6.2 The process of examining options for local government reorganisation has the potential to affect relationships between existing bodies. The mitigation for this should be involvement of all Councils on an equal basis.

7. Alternative Option(s) considered

- 7.1 The Executive could decide not to endorse the statement or follow through on the proposed actions. Such a response would however, leave the Council and its citizens exposed pending the White Paper in the autumn.